

THE SKATING SCANDAL AND THE BOBBITT TRIAL

CANADA'S WEEKLY NEWSMAGAZINE

JANUARY 24, 1994 \$2.95



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Lorena Bobbitt

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EXCLUSIVE:

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in Ottawa*



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The private Prime Minister

18 A *Maclean's* reporter and photographer get a rare look behind the scenes during a day with Prime Minister Jean Chrétien and his wife, Aline. Although they occupy the country's most public positions, they remain determined to safeguard their privacy and to avoid letting the trappings of high office overwhelm their married life.



Hot off the presses

66 From the battling Bobbitt to the scandal surrounding the attack on U.S. skater Nancy Kerrigan, last week's hard headlines could have been written in tabloid heaven—which, in a manner of speaking, pretty well describes a slice of America in the 1990s

The cost of feeding Canada

56 A day of reckoning is approaching for Canada's poultry and dairy farmers. Ottawa has agreed to slash export quotas protecting them as part of a new global trade deal. At home, consumers are complaining that they pay too much for chickens, milk and other items because of farm marketing boards



'Lifelong efforts'

I'll be a regular, your question, "I'm baby boomers retire in the same style?" "Astonishing guess," Cover, Jan. 10, would have set me into a shuffling. Judging from my parents and the parents of my peers, the generation that is as or about to be as retirement can be characterized by one thing: fiscal prudence. They are the ones who, if they couldn't afford something, didn't buy it; who worked, saved, sacrificed and made risks, who survived most of their working lives without an employment insurance; who lived by the concept of achieve it, not consume it. The fact that we baby boomers would ever presume to question seniors enjoying the fruits of their lifelong efforts is reprehensible. Perhaps we should instead keep our heads in as well as our debts down, enjoy our lives and prepare for the future in the same way our parents did. Otherwise, we will be abandoned, quite deservedly, like later baby boomers.

Paul Wright,
Mississauga, Ont.



The Aging Generation: living by achievement rather than entitlement

workers (39 per cent) are less likely than Quebecers (over 60 per cent) to receive old-age pension. Should we conclude that Canadians tend to judge Quebecers out of proportionately, or simply that Canadians tend to be "racially intolerant" towards their Quebec partners?

Dana Coward,
Toronto

grocery stores. At least I know that I won't find any seniors in these magazines, so I don't waste my time looking.

Daniel Senko,
Markham

I am sad to see that you have again forgotten that Canada means north as well as south as well as east to west. Perhaps in the next "national interest" you'll manage to include the Yukon and Northwest Territories.

Consuelo Rodriguez,
Windsor

Missing the point

Your article, "A nation of polite liars?" (Canada, Dec. 27), which cautions against a recent decision, pulls that "national interest" away from its bearings, "national" as the point. As a nation of immigrants, we Canadians have long profited ourselves on our cultural mosaic, and we have learned from experience that new immigrants, at their own pace, do, and integrate into, our evolving Canadianism. What is driving Canadians to distrust is that this natural process is being thwarted by certain government groups under the misbegotten policy of official multiculturalism. As a result, we are witnessing the development of an entire stratum of professional classes whose passions and careers depend not on bringing an employer but in keeping us apart. Our constant anger is not with the immigrants but with the governments that are following this historical aberration.

Wendy Saks,
Windsor

Letters may be edited for space and clarity. Please supply return address and daytime telephone. Write letters to: Editor, Maclean's magazine, 727 Bay St., Toronto, Ont. M5W 1A1. Or by fax: (416) 593-2520.

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'Contemptible and inaccurate' attack

It is usually easy to ignore cheap shots because to do otherwise draws attention to them. However, a broader principle was raised by Dennis McMillan's implication that I was dabbling when, at considerable personal expense, I devoted over two years to the Ontario Securities Commission (OSC) as executive director (Chairman of the Board). The Ontario Securities Commission (OSC) is a critical role in protecting investors and fostering an efficient and competitive capital market. Complex and sophisticated policy issues and transactions require experienced professional staff with a balanced view of the commission's

mandate. Government needs senior people from the private sector who are willing to give something back in the national interest. Hopefully, Mr. McMillan's remarks will not discourage them from public service. As for the insinuation that enforcement was softened because it or anyone else was considering a return to the investment industry, it is as contemptible as it is inaccurate. It also demonstrates a lack of basic understanding about how the OSC operates and the role of the executive director in enforcement matters.

Joseph J. Oliver,
Toronto

OPENING NOTES

CLOTHES CALL IN MONTREAL

When Apor just might be one of Canada's most extremely opulent males. At least the editors at *Toronto Life* magazine took on their December issue. They gave the best-dressed man in the magazine the title of "Most opulent male" in the December issue. They gave the best-dressed man in the magazine the title of "Most opulent male" in the December issue. They gave the best-dressed man in the magazine the title of "Most opulent male" in the December issue.

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Apor: universal out

Ontario government doesn't last with the 140-page brief defining the international publication has in the *Marie Monique* case—and the Ontario government's position for their counter-argument. The case was dropped after the brief was prepared for a Jan. 21 hearing at Toronto at the Ontario Court of Appeal. The Ontario Court of Appeal, the Ontario Court of Appeal, the Ontario Court of Appeal.

It is respectfully submitted that any consideration of judicial limitations of freedom of the press—must also necessarily import an understanding that the press is a commercial operation... The press is one undeniably concerned with securing a "market share" and "financial success" as... the function of the press is to inform the public and to inform the public and to inform the public.

BEST-SELLERS

- FICTION**
1. *The Stone Diaries*, Doris Lessing (1)
 2. *Chocolat*, Joanne Harris (2)
 3. *The Red Book*, C.G. Jung (3)
 4. *Practical Mysticism*, Sri Aurobindo (4)
 5. *The Politics of Motherhood*, Julia Kristeva (5)
 6. *My Sister Sam*, Stephen King (6)
 7. *How to Write in 30 Days*, Robert Bly (7)
 8. *The Virgin*, William S. Burroughs (8)
 9. *The Golden Rule*, Jack London (9)
 10. *Hotel Paris*, Peter Mayle (10)
- by J. P. Dwyer*
Compiled by Brian Burt

WORD FOR WORD

Justifying 'deferral'



Monosha with another 'deferral'... 'deferral'... 'deferral'...

Some media coverage prior to the publication of the report had stated the position of total by media where the function of the court was exempted... Media will continue to be exempted. Some of the reporting was grossly sensationalized and reprehensible and dangerous to the self-same people at its perilous impact. Some of the media, apparently ignorant of the misrepresentation that the public might know is a dishonest and to be avoided, reported to science freedom of expression by such coverage as a blinding war for the biomedical world picture.

CHILLS ALL OVER

A winter gripe, an outbreak of Canada's anti-influenza virus is now in its second year. In fact, it's a real virus—headaches, runny noses, fevers, chills and aches. It's not a flu epidemic, right? Not necessarily. According to doctors, an epidemic could conceivably develop later in the season, but so far only 258 confirmed cases of influenza have been reported in Canada since the flu season began last October. "Statistically, the situation is at a low-to-medium level compared with other years," says Dr. John Weber, an official at the Laboratory Centre for Disease Control in Ottawa.



status and parts of Canada. So far, Alberta—with 37 confirmed flu victims—has been the hardest hit, with three Edmonton-area nursing homes alone reporting dozens of cases. Each year, influenza kills millions of people around the world, including as many as 1,200 Canadians. To limit the toll, Ottawa and the provinces distribute millions of free doses of flu vaccine to help immunize the most vulnerable Canadians—the elderly and those with chronic illnesses. Even if the current flu situation is relatively mild, influenza is a grim experience for those who have it. "My whole body aches," says Carol Kalka, a single mother in Calgary who came down with flu just before Christmas, along with her two sons, ages 11 and 12. "It's just horrible." Drugs, including amantadine hydrochloride, are available for the treatment of the more severe cases. But for most sufferers, the old remedy still applies: drink plenty of liquids, stay in bed—and pray for the end of winter.

Beating flu viruses, a nasty strain... The season, who had not fully recovered from a heart attack last year, was his first Grammy for *Allegory's* *Talkin'*, the theme song for the 2001 *Big Brother* contest. Nelson collaborated with John Lennon and Ringo Starr and wrote songs for the *Beatles*, the *Monkees*, the *Yacht Club* and *Three Dog Night*.

POP MOVIES

Top movies in Canada, ranked according to box-office receipts during the seven days that ended on Jan. 25 (in brackets number of screens/weeks showing)

1. *Mr. Doubtful* (124/1) — \$128,500
2. *Aladdin* (124/1) — \$128,500
3. *The Prince and the Pauper* (124/1) — \$128,500
4. *Tommy* (124/1) — \$128,500
5. *Sebastian's Love* (124/1) — \$128,500
6. *The Love Theme* (124/1) — \$128,500
7. *Shogun* (124/1) — \$128,500
8. *Wish You Were Here* (124/1) — \$128,500
9. *The Greeting Street* (124/1) — \$128,500

PASSAGES

ABSTRACT In *Journal* *Abstract*, 11, a novel called *Abstract* to appear in *Journal* *Abstract* in New York City after his Toronto-based plane from *Abstract* landed at John F. Kennedy airport that to bad weather. *Abstract* is a novel about a man who is a doctor, a man who is a doctor, a man who is a doctor.

ONCE Singer-songwriter *Harry Nilsson*, 53, is his deep at his home in a Los Angeles suburb. The musician, who had not fully recovered from a heart attack last year, was his first Grammy for *Allegory's* *Talkin'*, the theme song for the 2001 *Big Brother* contest. Nelson collaborated with John Lennon and Ringo Starr and wrote songs for the *Beatles*, the *Monkees*, the *Yacht Club* and *Three Dog Night*.

ONCE Gregory O'Brien, 30, a principal dancer with the Toronto-based National Ballet of Canada from 1984 to 1995 and before that with the New York City-based American Ballet Theatre, of course, in a New York City, Calif., hospital. The American-born O'Brien also appeared in the movie *The Untouchables* as *Fast as a Gun* and *The Untouchables*.

ABSTRACT Former pitcher Steve Carlton, 43, to baseball's Hall of Fame. Carlton was 259 games and a record for Cy Young Awards.

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COLUMN



Two major obstacles to economic recovery

BY DUANE FRANCIS

Dennis Horvath, an international trade law professor at York University in Toronto, is very worried about Canada's future. In a recent study, Horvath argues that Canada faces a state of permanent economic decline despite increasing exports due to free trade with the United States. The problem, in a nutshell, is that foreign direct investment around the world is growing rapidly, but Canada is losing out in attracting its traditional share. As well, he argues that we are paying the price for failing to encourage homegrown global giants. Concludes Horvath: "Canada is not really adjusting to the emerging new structure of the world economy. We have not been able to capitalize on growth opportunities in various parts of the world and our competitive strength appears to have been eroding."

His prescription: attract more foreign investment and encourage domestic firms to internationalize. Of course, this is not huge praise because, in my opinion, Canada's governments argue policies and laws that increasingly discourage investment. That Canada's punitive trade is an impediment and a disservice is the most important issue to be addressed by the new federal Liberal government in its February budget as well as in talks this week with the country's ten happy provincial finance ministers.

For those who cling to the status quo, Horvath's study provides a compelling case for change. Slowly put and hardly surprising, he shows that Canada (like other developed countries) is losing out to developing countries in Eastern and Central Europe, Latin America and Asia in land, barriers fall and new markets open up.

This is part of a gigantic transfer in investment interest from rich to poor nations. According to Horvath, total annual direct foreign investment in Canada has decreased from \$7 billion in 1989 to just over \$4 billion in 1993. But, adds Horvath, the decline would have been even greater had it not

Foreign investment is growing dramatically around the world, but Canada is losing out in attracting its traditional share

been for U.S. investment during that period as a result of free trade. The United States, on the other hand, saw foreign investment levels plummet from \$46 billion in 1989 to a negative figure of \$5 billion in 1993—meaning foreigners sold more assets than they bought.

Unfortunately Horvath forecasts a further downward economic trend for Canada if the country and business do not realign new economic directions. "Developed countries," he says, "will continue to decline while structural changes in developing countries occur. There will be a doubling in foreign direct investment in the developing world from \$23 billion in 1992 to \$46 billion in the year 2000. By 2030, the figure could be \$265 billion. On contrast, foreign direct investment in developing countries was only \$13 billion in 1989."

In addition to such direct investments in businesses or facilities, there is a huge, accelerating flow of cash headed for developing countries from developed countries like Canada in the form of portfolio, or passive, investments. These take the form of mutual or pension funds, or stock and bond holdings by individuals and institutions.

Such global portfolio investments have jumped from \$8 billion in 1980 to \$46 billion in 1992. The reason for the global investment asset switch are varied. Rich countries no longer offer their own citizens a decent return and poorer countries are cleaning up their economies and stock markets, and offering hundreds of billions of dollars in previously ignored government assets.

Another cause for concern is that Canada is not creating or fostering global corporate giants, which create huge wealth benefits in the countries where they locate their head office organizations. Despite the fact that Canada is the eighth largest economy in the world, only three of the world's 100 largest transnationals, ranked by revenues, are Canadian-controlled. Among the others, 27 are American, 16 French, 12 Japanese, 12 British and nine German. Considerably smaller investments have in plants, Sweden has, the Netherlands four and Belgium two.

Even when Canada grows its own, it often loses the benefit. For instance, the Seagram Co. Ltd. has its head office in Montreal, but for years its executive offices have been in New York City, where all the important decisions are made. More recently, Canada lost a transnational—Varex Corp., formerly Manway Porcelain Ltd.—where it left Canada permanently for tax and other reasons. And individual reasons are leaving the country all the time. Conrad Black of Hollinger Inc., Michael DeGuzio, past president of Icahn Inc. and, most recently, Canadian entrepreneur Frank Stronach, chairman of Magna International Inc., who will maintain Magna's global operations from Zurich.

The list of departures grows and the loss of such head offices and wealth creators is noticeable. If Canada was a tax haven, as in Switzerland, these head offices and individuals would direct their worldwide operations from home, and employ Canadians doing so. Canada must reverse these damaging trends. It must reward talent and attract and keep branch plants. In the past, Canada has done a remarkable job by attracting some 1,800 transnational offices, creating the same number as have located in the Netherlands, Finland or Norway.

But much more could have been done and many more were repelled or driven out of Canada as a result of high-profile anti foreign investment policies such as the National Energy Program or outright confiscations by provinces run by New Democrats or, in the case of Quebec, the Parti Québécois. By contrast, other countries welcome branch plant operations and Germany "hosts" 7,000 affiliates, Japan and Sweden, 3,500 each; the Netherlands, 3,000; Switzerland, 2,000 and Britain, 1,500.

As Horvath still is in a recent interview, branch plants are key to export success. "One-third of world exports of \$2 trillion took the form of intra-firm trade. We need a combination of foreign investment and the inter-relationships of our domestic companies. And we're not doing a good job of either right now."

CANADIAN VETERANS
OF COLD WAR
NUCLEAR EXERCISES
DEMAND REDRESS FOR
DISEASES THEY SAY
WERE CAUSED BY
RADIATION EXPOSURE
40 YEARS AGO

A GRIM LEGACY

The Canadian spy aircraft the *autopsy* and *incidentally* *haunted* atomic cloud building *showered* on the *over-dangling* *telescope* of *color*. *Deep purple* *fade* to *beaver* and *then* into *crepuscular* until at least it is *erased* with a *sway* *erect* of *dead* *spine*.

—from *by* *David's* *Early* *Light*, an *account* of a *nuclear* *blast* in *Nevada* in 1952 witnessed by 11-Grade J. F. Keeling

Keneth Ughererville was a 26-year-old sergeant with the Canadian Army in 1957 when he landed with his platoon into the desert near Las Vegas, Nev., to take part in a battlefield exercise under the shadow of a nuclear explosion. Ughererville and 40 other members of the Calgary-based Queen's Own Rifles of Canada huddled in trenches just over a kilometer from ground zero when scientists dropped a atomic bomb. Within minutes, the desert cracked out. Bad the desert smelt on fire and a giant orange mushroom cloud surging into

the sky. At the time, says Ughererville, now a 63-year-old Calgary resident, most of the soldiers found the event exhilarating. But as they aged, their memories turned grim. Many say they developed cancerous diseases from atomic radiation. The federal government has never formally acknowledged the links between the nuclear blast and cancer. But Ughererville, who lost half a lung to cancer in 1980, hopes to change that. He not only wants compensation, he wants the government to acknowledge that its soldiers were severely injured while representing Canada in Nevada. "The Cold War was a different kind of war," says Ughererville. "But for us, it was as if we were the guy who was shot in action."

As Ughererville and other so-called nuclear veterans battle for compensation with Ottawa, the American government is actively seeking out people who were exposed to radiation in nuclear tests and other Cold War exercises. Since 1986, Washington has recognized that thousands of veterans, suffer-

ing from at least 35 types of cancer are victims of open-air nuclear tests and compensated them with cash payments. In December, the U.S. energy department set up a hotline for people who believe they were exposed to radiation. More than 12,000 have already responded—the first casualty veterans aid people who lived near the Nevada test sites. The government will also consider claims from hundreds of people who were deliberately poisoned with radiation by the CIA and other government agencies in Cold War experiments. But last week Canadian officials still refused to link the veterans' health problems to radiation. "We will continue to look at individual cases," and department of veterans affairs spokesman Don Wilson. "Even in the United States will probably not influence decisions here."

From 1955 to 1957, 449 Canadian soldiers marched into desert and other in Nevada and Australia to witness atomic explosion and take part in nuclear battlefield exercises. Like Ughererville, most of the soldiers sat in

trenches less than two kilometers from the crater of the blast. "The flash was so bright, I could see the bases in my area," recalls Jack Taylor of Calgary, 62, who witnessed five explosions in 1957 as a corporal in the Queen's Own Rifles. Another 357 Canadian soldiers, including 52 who had earlier witnessed nuclear explosion, were exposed to radiation in 1953 and 1954 at Chalk River, a nuclear research facility 135 km northwest of Ottawa. On both occasions, nuclear test rods broke apart, showering radioactive material throughout the reactor building. The troops were brought in to clean it up.

At the time, however, it was the threat of the Soviet nuclear arsenal, not the potential for radiation poisoning among their own troops, that preoccupied Ottawa and Washington. Lt.-Col. Ronald Wilkinson, who witnessed an atomic test in Nevada in 1957 and said the Canadians were sent to Nevada

to experiment with equipment and battlefield tactics that Canadian troops would face in a possible nuclear exchange with the Soviets. Wilkinson, now 77 and retired in Toronto, says that some of the Canadian troops dug in, while others were deployed in army vehicles. Wilkinson will denounce the exercises, arguing that the troops were sent because they were equipped with monitoring devices to measure how much radiation they had absorbed. "We didn't have the bomb, so we had to get an experience somewhere," said Wilkinson. "The Americans were good enough to come ashore."

While global nuclear strategies motivated Canada's political and military leaders, many of the ordinary soldiers had no idea why they had been sent to the desert. Taylor says he had been on manoeuvres in central Alberta when his platoon was suddenly sent to Las Vegas and a field command centre 108

Later, at the base camp, the soldiers used military kit-bags to store their personally radioactive dust and debris from their clothes and equipment. "We were standing in battle conditions," says Ughererville. "Our job was to take out the enemy after the bomb had gone off."

Other veterans exposed to the Nevada tests recall the secrecy surrounding the exercises. Rupert Currie, 61 of Halifax, was one of 42 Canadians sent to Nevada in 1955 to test respirator equipment. The soldiers, he says, were ordered not to talk to anyone about where they were going, or why. In fact, Currie says there were no signs of a "kind of brainwashing" that may have involved substantial indoctrination. Recalls Currie. "They must have had a record that played through the night. You woke up in the morning saying it to yourself. 'What I see here, while I am here, let it stay here, when I leave here.'"

And you wondered, where the hell did I hear that from?"

Currie now believes that he had a terrible guess for his visit to Nevada. About six months after returning home, he says, he started suffering from violent headaches, which continued until he began neurological treatment in 1981. So doctors arrived in his brain. He also says he suffers from bad tremors and bright flashes in his night eye. Despite his ailments, Currie never applied for compensation, and says that it is probably too late to do so. "If they were going to do something they would have done it by now," says Currie. "I just don't want to be a bloody guinea pig for them any more."

Like Currie, dozens of other Canadian veterans of the atomic test suffered terribly. Self, the Canadian Pension Commission, which oversees pension claims by veterans, consistently refused to draw any direct link between the nuclear explosion and the veterans' health problems. In 1986 with the help of former NDP MP Jayne Gaudin, a member of Nevada veterans' families, the Canada-based Canadian Nuclear Veterans Association to press their claims for compensation. The association's president, Alford Draper, a former 10-42 flight sergeant who witnessed an explosion in Nevada in 1957 and lost it first the department of veterans affairs refused to offer them compensation until it was forced through of court case in 1984 when Conservative MP George Hertz, himself a vet-

"My doctors say I'm actually radioactive."

Alphonse Paulson, who has had 110 cancer-related operations

ran away called Desert Rock. "It wasn't until we were on a bus heading out into the desert that the driver told us what we were doing," recalls Taylor. "But we trusted our leaders." Like dozens of other Canadian soldiers, Taylor crouched in his trench as lookbooks cranked down the seconds to the bomb's detonation. "The first was intense," he says. "The mushroom cloud looked very beautiful—very very beautiful."

It was what happened after the atomic explosion that now seems astounding. Ughererville says that within minutes of clearing out of the trenches, the soldiers rushed to board helicopters. Soon they were flying over the epicentre of the nuclear blast.



"Let me win
but if I cannot win,
let me be brave
in the attempt."

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TOYOTA

CANADA

case of the Second World War, took over as minister of veterans affairs and ordered his officials to deal with the file. By 1986, while the pensions board still refused to accept any link between radiation exposure and cancer, it did finally allow 32 veterans disability pensions of up to \$1,300 a month as well as called "compassionate grounds." But another 11 who had applied for compensation were turned down. And according to Kelly, after three left the portfolio in 1987, the government again opened the nuclear veterans "files upon the door," says Kelly. "It is closed again."

One veteran, however, did take his case to Canada's highest court to prove that his cancer was caused by radiation. In 1984, after an eight-year legal battle, the Supreme Court of Canada ruled that Japanese Atomic Bomb

really happened to his fellow soldiers. "I'd like to know if they are having problems like mine," he says. "If they are they should be helped." Unghereville, who admits that he smoked for a number of years, does not want an apology from the federal government, but he does want it to acknowledge that many of the soldiers have suffered terribly. "I want the government to admit what happened," he says.

In the mid 1980s, the department of veterans affairs did undertake two studies to determine if the nuclear veterans were suffering from higher rates of cancer than other servicemen of their age. One study, conducted by researchers at the University of Ottawa, concluded that the veterans did not have higher rates of some types of cancer. But the study's authors also acknowledged

"I want the
government
to admit what
happened."

Ken Unghereville, one of
a handful of veterans
still fighting Ottawa for
compensation



75, a former RCMP corporal specializing in radioactive contamination, had a legitimate claim. The court awarded him \$21,000 back benefits not a pension that has since reached \$5,283 a month. Pashen was part of a team that helped to clean up radioactive material at Chalk River in 1952. While most members of the cleanup crew were limited to four hours of radiation exposure, Pashen spent about two weeks at the site. In 1964, he developed a form of skin cancer known as basal cell carcinoma. Since then he has had 360 operations to remove the cancerous cells. "My doctors say I'm actually radioactive," says Pashen. "I will have that my life."

Pashen, who now lives in Vancouver, says he was able to pursue his claim only because of the support of the Canadian Coalition for Nuclear Responsibility and its sympathetic lawyers and doctors. He maintains that other veterans who received pensions on compassionate grounds in exchange for dropping all claims against the federal government had to give it choice. "They were bought off," says Pashen. "The government wanted them to admit that these men were hurt by radiation."

Unghereville is one of at least five veterans who are carrying on the fight against the government. It is determined to find out what

that it was difficult to ascertain exactly what level of radiation individual veterans had absorbed. A companion study by Statistics Canada concluded that the nuclear veterans actually had fewer health problems than a group of similarly aged men who had suffered no exposure to radiation.

By contrast, U.S. federal law now recognizes that many nuclear veterans were devastated by radiation. Beginning in 1988, veterans who suffer from any of 15 cancers may be compensated for compensation. As of last week, the U.S. government had processed 36,308 radiation-related compensation claims, and of those, 3,858 had been granted. Most of the rest were rejected because those making them could not prove they had been involved at specific sites where nuclear bombs were detonated. In 1991, the U.S. Congress also created a \$200-million trust fund to compensate civilians who lived downwind from the blasts of 1,495 nuclear claims. 818 have been accepted. But Canada's nuclear veterans are still waiting for recognition at the compensation they made at the shadow of the bomb.

TOM FENNEL, with BRIAN BERGMAN in
Toronto and JIM ANDERSON in Regina

Canada NOTES

TARGETING 'PIRATES'

Federal Fisheries Minister Brian Tobin said that Canada is prepared to intercept foreign vessels fishing for cod on parts of the Grand Banks off Newfoundland, an area that lies beyond Canada's 200-mile jurisdiction. Many of the vessels are owned by Europeans, but are registered under the flags of countries such as Honduras and Panama. After meeting in Brussels with German Foreign Minister, the European Community's fisheries commissioner, Tobin said that "these re-flagged vessels are nothing less than modern-day pirates."

THE NORPLANT OPTION

Starting March 1, Canadian doctors will be allowed to provide a controversial birth-control device for women that works for up to five years. The Norplant implant, which is the subject of several lawsuits from users in the United States, consists of six tiny tubes implanted under the skin of a woman's upper arm. The device, which can be removed at any time, releases a synthetic hormone that inhibits ovulation.

PATERNITY WOES

Ottawa leaders called for the resignation of Alberta Social Services Minister Mike Cardinal following reports that Cardinal fathered an illegitimate child 21 years ago and that he did not provide child support until contacted by the social service department three years after the birth. Premier Ralph Klein said he had no intention of firing Cardinal for something that happened so long ago.

A NEW PRESERVE

The British Columbia government created a new 575,000-acre wilderness park—an active half the size of Prince Edward Island—in the southwestern corner of the province. It will be the province's sixth largest park. Logging and mining will be banned in the park, which is home to grizzly bears, bald eagles and even leopards with sooty bay stripes.

A POTENTIAL WINDFALL

Insider-trading reports filed with the Ontario Securities Commission revealed that former prime minister Brian Mulroney was granted extremely generous benefits when he joined the boards of American Bank Resources Corp. and Bankers Group in November. Mulroney received shares for 250,000 shares of Bankers at \$24.07 each and 350,000 shares of Bankers at \$18 each—options that would net Mulroney about \$1.5 million at current prices.



Johnson with mother Anne, of securing-in third family member to hold the office

Johnson's survival plan

With his mother, Rene, looking on tearfully, 39-year-old Daniel Johnson was sworn in as Quebec's 30th premier—and the fourth member of his immediate family to hold that office. The ceremony, held in the Quebec National Assembly's pink-hued Roquet, marked the start of a concerted campaign by the new Liberal leader to ensure that his party wins a third consecutive term in office. It is also a personal fight for Johnson, who hopes to remain in office longer than his father, Daniel, who died in 1985 after two years as Union Nationale premier, and his brother, Pierre Marc, who served for only 71 days as Parti Quebecois premier before being trounced by Robert Bourassa's Liberals in December, 1985.

Johnson's task is a daunting one with the Liberals now trailing the PQ in the polls and with an election called by September, he needs to put a bold new face on the party and the government that he inherited last month from Bourassa. To that end, the new premier last week visited the provincial cabinet from 29 to 31 members and gave each of his ministers just seven days to come up with at least one new government project. Johnson, a staunch federalist, also appointed himself minister of intergovernmental affairs, signaling the importance that he places on Quebec's relations with

Ottawa and the other provinces. "It appears to me wrong that we should put up new borders and thus reduce ourselves to a small provincial area," he said. Johnson's first days in office drew a lapel review from 115,000 Quebecers. Leader Jeanne Beaudry, who intends to campaign strongly on behalf of the PQ in the upcoming provincial election. Declared Beaudry: "There must be a real government in Quebec and there is no election."

Bewitching the NDP

The executive of the provincial NDP in British Columbia was upset when a self-described witch won the party's nomination for an upcoming legislative election. She was the religious activist Sara Wagner, who won the nomination in the Natsal riding by acclamation, is a minister in the Government of the Goddess Church, which has 87 congregations across North America. Publicly surrounding Wagner later prompted the riding executive to declare nominations open again, throwing his candidacy into doubt. Wagner, 37, he lack. "My religion is not relevant to anyone but me," he said. "It is not a campaign issue and luckily it is no one's business but my own."



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COMPAQ

The Battles Ahead

A tough week abroad for Jean Chrétien signals that his government's political honeymoon may be over



Some of the most difficult moments for political leaders occur when they leave the country. In 1974, politics and assassinations by Joe Clark turned a world tour, designed to ease his stature, into a public relations nightmare. Brian Mulroney returned home from a 1986 trip to Asia to a government sleepless in scandal after his industry minister, Sinclair Stevens, was accused of influence peddling. Last week, it was Prime Minister Jean Chrétien's turn. As with Clark, Chrétien's low key and at times stumbling performance during a seven-day European junk provided criticism that a follow image back home does not travel well abroad. And like Mulroney, Chrétien found his overseas efforts undermined by domestic controversy—this time over a noxious cabinet minister's lawsuit against his own government for the loss of passport perks. By the time the prime ministerial return resumed in Ottawa, one worry Chrétien's adviser sighed, "Let's just say we are glad this week is over."

Those were the first hours of the headaches to come. The fledgling Liberal government will open Canada's 26th Parliament this week once that its political honeymoon zig will be over. The Liberals were largely untested during their first 74 days in power, and surely stirred from their chosen course to left the party along the target range of its critics. Even opponents seemed impressed by Chrétien's adept debut. At a pancake breakfast for the 22 new Bloc Québécois members in Ottawa last week, Reform leader Preston Manning was overheard discussing their common opponent with the Bloc's Lucien Bouchard: "He seems like a down-to-earth kind of guy," said Manning. "Very approachable," agreed Bouchard. Beneath the compliments, however, lies an unspoken understanding: before he had taken his seat in the Commons, Chrétien had appeared vulnerable on his election strong suit—government integrity and his own experience.

Even senior Liberals were somewhat surprised that it took almost three months before the first fissures appeared. The searing image of "yesterday's man" that Chrétien so handsily evaded last summer has all but dimmed as the veteran politician methodically works his way through his campaign promises. More of them were deliberately vague, save one: heave ho! lookers! But will disappear, if not sugar, those with high expectations. Critics point out that Chrétien failed to secure the same energy guarantees as Mexico in the North American



Canadian peacekeepers in Sarajevo. Chrétien and Guéffelt at NATO summit. Still, count off good.

Free Trade Agreement—despite his boast that he would tear up the deal if it didn't meet his requirements.

At the same time, Chrétien has followed through on his commitment to slash the size of cabinet (to 32 members) and the number of political aides. He also cancelled a questionable deal to privatize Telecom's lucrative Transcan international airport, even though some of the key players had Liberal connections. While Canadians may not trust the Liberals more than they do any other party, Chrétien has given them much of what they seemed to want. At least, so it appears.

Still, Chrétien remains in many ways an unknown. Perhaps that is why his foreign policy shifts come under such close scrutiny when he arrives with a legitimate complaint at the twoday summit of the 35 NATO member countries in Brussels last week. At issue was the continued participation of 1,000 Canadian peacekeepers in the former Yugoslavia, an increasingly dangerous and ill-defined mission that has already cost 1490 million and eight Canadian lives. The usual Canadian delegation that accompanied Chrétien and Foreign Affairs Minister Auland Guéffelt had a particular concern: the 343 Canadian peacekeepers who are protecting Muslims against Serbs in the eastern Bosnian town of Srebrenica. Serbian forces were re-

ing to allow other peacekeepers to replace the Canadians, forcing them to stay there in absolute isolation.

That Chrétien's first major test on the international stage—yet, by most accounts, he neither passed nor failed. During meetings in London and Paris before the NATO summit, Chrétien had carefully consulted with British Prime Minister John Major and French President François Mitterrand, expressing his frustration with the Bosnian situation and even suggesting that Canada might withdraw its troops. But late Monday in Brussels, the British and French delegations at the NATO meeting had their own surprise. Waiting to greet the Canadians, who had gone to bed, they revealed a proposal to increase air strikes to free Srebrenica and the airport in the Bosnian city of Tuzla—a move that could endanger the Canadian stationed nearby.

Although Chrétien eventually won the right to veto strikes near Canadian peacekeepers, plus a promise from the Serbs to let the Dutch replace the Canadian troops, he was clearly caught off guard—looking astonished that he was out of his depth. On Wednesday, he denied that he was pressured by other NATO members into using the Canadian peacekeeping mission as a lever to threaten the Serbs in Bosnia. "If you asked me if I was pushed around," he said, "there was some tough statements made before the meeting, but I think there is a good solution at the end." Still, Chrétien's advisers clearly learned a lesson. Shortly after his return to Canada, the Prime Minister issued orders that on future trips abroad, more officials—especially experts able to push the Canadian position—would accompany him, despite the cost.

Part of the problem was Chrétien's penchant for integrity and his dislike of kooz—qualities many Canadians admire. Unlike Mulroney, whose foreign world last May cost Canadian taxpayers a whopping \$600,000, Chrétien insisted that the European tour be low-key. His seven-member entourage travelled by Challenger executive jet instead of the larger government-owned aircraft normally used on international trips. In contrast, U.S. President Bill Clinton and 300 American officials arrived on Air Force One and a second 747 with separate cargo planes that delivered the presidential limousine and jet.

Back in Ottawa, even Chrétien's much-maligned promise to restore strikes came under attack. The CBC and Reform gleefully belched onto a \$500,000 cost tag against the federal government that National Review's Martin David Anderson has continued to pursue after his appointment to cabinet. The man, launched in 1989 after Anderson lost his Liberal percentage job with the abandoned Immigration Appeal Board midway through his 10-year term, had already been rejected by the Federal Court of Canada, but was under appeal. On Wednesday, Anderson graciously dropped the case, but at least some damage was done. Declared Reform MP Chuck Strahl, "If Anderson and his colleagues are smart about closing out the pork barrel, they shouldn't be standing in it."

That is precisely the statement that Chrétien used to rebuild his party and mould the kind of government he thought could run a country. During the election campaign, Chrétien promised to restore public trust in federal politicians by overhauling the way government operates. That has been one of the most difficult tasks to date with acceptable success. This week, the Liberals will be looking for their first upturn in support as a government in the House of Commons to regain control of the political agenda—and repair the damage.

E. KAYE PULLEN in Ottawa

A day with Jean and Aline Chrétien provides personal glimpses of a man who has managed to keep faith with the habits of a long marriage and a small-town background despite rising to occupy the most powerful office in the land



BY ANTHONY WILSON-SMITH

By 8 a.m. most mornings, the Prime Minister of Canada has been up and about for more than an hour. Kijest Chrétien has his way: he merely stays up past 10 p.m. and seldom sleeps at all. That way, he says, "I get a jump on all those sleepy heads out there." Early to bed, early to rise, in those days, Chrétien, who turned 60 on Jan. 11, keeps faith with the habits of a 35-year marriage and his small-town roots. Combined with his morning shower, shave and burned breakfast, he follows a ritual familiar to every Canadian. But not completely new others, for example, begin the day, as Chrétien does, with a 30 to 35-minute swim in an indoor pool like the one at 24 Sussex Drive. There is no typical day in the life of a prime minister, he—or she—has too many functions and responsibilities for that. Being prime minister also brings privileges—and problems—beyond the comprehension of most people. Almost three decades after he entered politics, Chrétien is still coming to grips with the changes in his life. Maclean's got an opportunity to observe those changes up close when, on Dec. 15, the Prime Minister invited a reporter and photographer to accompany him for a day. "You think first one time you know everything about public life," he says, "but every day there is always something new." Here is how he approached that day.

Chrétien begins work at a weak, book-lard snore on the ground floor of the prime ministerial residence at 24 Sussex. Wearing reading glasses, he studies three thick green binders that arrived the night before from Glen SweetLife, the top civil service mandarin and Clerk of the Privy Council. Sheelittle usually reads at least half a dozen e-mails regarding attention. Chrétien, 60, a man to be short, with polka-dot moustaches, he makes decisions quickly, and seldom holds on to documents for more than 24 hours. Since winning the Oct. 25 election, admit it, he has become far more willing to spend hours reading about policy issues—something he used to be notoriously reluctant to do. An Opposition leader "he felt like a trespasser," says one aide, "and he did not always do his homework. Now, he jumps into everything."

At 8:50, Aline Chrétien returns from her morning walk, and the two move to the sunroom at the rear of the house for coffee. The most difficult adjustment to life at 24 Sussex, both say, is that they are almost never alone. Aline Chrétien, a dignified, gracious woman, particularly bemoans the need for household staff. "We have never had so little privacy," she says. In the first weeks after the election, people telephoning the house were often



The Prime Minister returns briefing papers at his desk as soon as possible into his office in the Centre Block on Parliament Hill (left); the Chrétienes are seated morning coffee in the sunroom of their official residence at 24 Sussex Drive (below); looking out over the Ottawa River towards Quebec (bottom); the most difficult adjustment to life at the official residence, both Chrétien say, is that the constant presence of staff makes it very difficult for them to be alone



The Private Prime Minister

started to find one of the Christians answering. Now, they leave that task to staff.

But on some weekends, when the wish for privacy overcomes all else, the Christians sometimes descend the household stairs so they can have 24 Sussex to themselves. That led to at least one memorable incident: who they were alone at the house one Sunday morning in November, Anne Chrétien awoke before her husband and went downstairs in search of the newspaper. Cid in nightrobe and slippers, she did not realize until her front door closed behind her that it is not a hallway—and she had no key. Too embarrassed to announce her predicament to the RCMP security guards at the front gate, and unwilling to wake up her husband, she recalled with a smile that "I sat on the front step for close to an hour making the papers wait! I heard Jean coming downstairs and banged on the door." Since then, she always carries her own key.

By 9 a.m., Chrétien has made the five-minute drive in a blue, chauffeur-driven Chevrolet to his two-hour office on Parliament Hill. He is accompanied by his executive assistant, Michael Macleod, a discreet, intense figure in his mid-50s who is seldom far from his boss's side. Macleod acts Chrétien's schedule and does his best to ensure that the Prime Minister adheres to it. He, like most of the inner circle, is fluently bilingual. In conversation, Chrétien and his staff regularly switch, often in mid-sentence, between English and French.

At 9:20, Chrétien has a brief meeting to discuss plans for the Dec. 21 first ministers' meeting with his chief of staff, Jean Pelletier, and communications director Peter Daniels. As they walk into chambers, the three talk about the Liberals' Christmas party the night before. "Funny thing," says Chrétien. "Last year (which is Opposition) we had 600 people, but this year there were 2,500." Pelletier smiles and taps his nose. "The smell of power," he says. Pelletier, 48, is one of Chrétien's oldest friends. The two men call each other by the more informal "tu" rather than "vous." He and another senior adviser, Edkie Goldenberg, are virtually alone in being able to see Chrétien without appointments. One

member of the Prime Minister's staff refers to Pelletier as "the elegant enforcer" because he wields power over the Prime Minister's Office with a politician's mix of charm and terror.

At 10, another meeting, this time with Goldenberg, Heritage Minister Michel Dupuy and Percy Coleman—the 1990 official in charge of government appointments. The topic is who will replace Gerald Vellios as presi-



dent of the CBC. The hour spend 30 minutes discussing a shortlist of candidates. In this setting, Chrétien is lawlike. In all-scale meetings, emotions run high. "he can curse with the best of them" in mixed company, he is more casual. Some reasons why do not know has well have been started by Chrétien's occasional mix of sharp tongue and careful politeness. At a recent cabinet meeting, one minister was taken aback when the Prime Minister, while vigorously discussing one of his proposals, rose from the table, poured a coffee—and without passing, stride over to offer the cup to him. During the relatively quiet, pre-Christmas period, Chrétien's workload is lightened. On this day, he gives a 20-minute interview to a Canadian Press reporter, then meets with Dr. Michael Smith, the Canadian who chaired the 1980 Nobel Prize for the discovery. This is followed by a meeting with officials of the World Science magazine Toronto Blue Jays, led by their Canadian chief executive officer, Paul Brennan. They present the Prime Minister with a momentary two-handed baseball autographed by the team. One Jays official jokes with Chrétien that "these balls like this should be really useful here in Ottawa." Chrétien responds that if he were to use a line like that publicly, "I could only get away with it if I blamed my bad English."

At last, Chrétien goes home. He always tells Anne to say when he is on his way, when he is delayed, she calls his personal secretary, Monique Bondar, to ask him whereabouts. Today, Chrétien is joined by Donato and press secretary Patrick Parizeau. Donato, an affable, baby-faced 34-year-old



Alan and Olga Gervais of Kingston, Ont., look on as Chrétien inspects their son, Oliver, in his stroller (above).

a CBC makeup artist brushes up the Prime Minister for a two-hour session (right). Chrétien jokes with overalls of the

Toronto Blue Jays (far right); many are surprised by Chrétien's mix of tongue and careful politeness.



from Montreal, is Chrétien's "spin doctor" advising him on how to present his policies to the press and public. From 1:30 to 4 p.m., Chrétien prepares for and tapes a CBC *Prime Time News* special in an auditorium at the nearby University of Ottawa. Facing an audience of about 100 people ranging from business executives to the unemployed, he speaks well but slumps in his chair too much for Danahoe's liking. During commercial breaks, Doolee makes over several times to make him sit up straight.

On other days when the House of Commons is not sitting, Chrétien would use the early afternoon to meet advisors and cabinet members. Unlike his predecessors, Brian Mulroney and John Turner, Chrétien does not like using the telephone and dislikes the practice of "striking"—the unofficial political art of building and maintaining a wide informal network of contacts through frequent phone calls and notes. "He is not," says one aide, "a back-slapping, schismatic kind of guy." Chrétien, in fact, has few close friends other than his long-standing friendships with Pelliter and Goldensberg. He prides himself on keeping politics and friendship separate. One example came when an aide brought him a draft of a letter to U.S. President Bill Clinton that began "Dear Bill." Chrétien crossed out the "Bill" and wrote in "President Clinton." Similarly, colleagues who seek private say will a long time, because Chrétien despises compliments openly. On the other hand, the same aide notes: "He is a very even-tempered guy. You can argue with him, and he never takes it personally."

Close quarters are in evidence when Chrétien returns to his office for a 4:30 meeting with Goldensberg and Agriculture Minister Ralph Goodale, who has just returned from Switzerland, where Canada and 115 other nations signed the General Agreement on Tariffs and Trade. After several minutes of small talk, International Trade Minister Roy MacLaren calls from Geneva and is put on the office speakerphone. "This is a great day for Canada, Prime Minister," MacLaren, a businessman and longtime proponent of free trade, says twice. But Chrétien cuts him off brusquely. "Canadian farmers do not trade it is a great day," says the Prime Minister, referring to anti-protection over the end of protection for them. "Tell me what I can tell them to make them feel better."

At 5:35, Chrétien goes home to change into a kilted belton before returning to Parliament. He has a black-tie reception for diplomats. He and Anne arrive at 6:35 and meet with Senator



Chrétien at 24 Sussex Drive with his communications director, Peter Doolee (left), an impromptu media event on the Prime Minister meets with Nobel Prize winner Dr. Michael Smith (above), the Chrétien's great diplomats at a reception in the Hall of Honor in the Centre Block (right). The Prime Minister has few close friends and distrusts the old political practice of keeping up a wide network of contacts



Rosario LeBlanc, his longtime hotel and hand-picked choice as the Senate's new Speaker. In the opulent Speaker's quarters, they and Foreign Affairs Minister Andre Charest toast LeBlanc's appointment with mineral water in front of the fireplace. By 8:45, the Chrétiens are in the Hall of Honor, greeting the more than 400 guests. By 9 p.m., they are out the door, with one of their few major social events of the year behind them. "We are very private people," Chrétien says, and they live at 24 Sussex reflect that.

Chrétien seldom uses the Prime Minister's residences for formal events, and the only regular visitors so far have been family. Perhaps the best measure of the couple's relatively downhome style came on the occasion of what they refer to as "their first formal dinner." In honor of the 10th birthday of their grandson Maximilien, they hosted a dinner for him and a group of his friends. At MacLaren's request, the menu consisted of hamburgers, hot dogs, fries and beef cheddar. The dinner began, in appropriate fashion, with a toast to the guest of honor by a smiling Prime Minister, who laughed openly. "I guess this is my very first state dinner. So now, pass the ketchup."

On this night, it is a more serious but still relaxed Chrétien who steps into the Chevrolet for the drive home. In his early days as Prime Minister he has heard the job, and most Canadians appear to like the way he is doing it. Now he faces three severe tests, including a new wave of the Conservatives this week. But Chrétien, as he says of himself, "always well" and is not given to dark nights of the soul. When he gets to bed, he will read a favorite new book—a biography of the French politician Antoine Peyray, whose political career mirrored from the 1850s through the 1930s. Chrétien is intrigued at Peyray because, he says, "I have been told that in many ways, Peyray was a politician very much like me." The similarities include their shared small-town roots and lengthy service in a variety of portfolios. But Peyray, despite serving as premier of France for one month in 1932 and continuing with distinction in politics for several more decades, never quite surpassed the role of faithful lieutenant to other leaders. Chrétien, as he closes the book and turns out for light in the bedroom at 24 Sussex, can go to sleep knowing that one can never again see the same man twice. □

Now Chrétien straightens his husband's bow tie as they prepare to enter the reception (top), the Chrétiens leave with executive assistant Michael MacIvor and Senate Speaker Rosalie LeBlanc (above), the only regular visitors to 24 Sussex so far have been family

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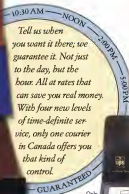
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Ottawa's New Puritans

Bernard Côté is a tight-rope walker. After 34 years cutting the hair at M's (at \$2-\$2, GST included) the House of Commons barber now finds himself the subject of a political squabble about the worth of parliamentarism. As a new reformer, the last thing Côté wants is to make things worse for himself by shooting off his mouth. So he refuses to talk about the fact that when M's returns to Ottawa this week for the Commons' first production styling, he will have 32 fewer customers, all from the Reform party, which has gone to war against the perks and privileges of elected office. Côté's reformer, and the reformer of others like him whose job is to provide the perks, is understandable, says one senior Commons official, "because it's not going to be easy to maintain this accumulation of privilege, and the appearance of impartiality," he says, "you obviously can't become part of the debate."

The debate started well before the election, when voters became aware that their M's were out of touch. But it gained force after the October vote. Prime Minister Jean Chrétien helped to set the new tone after the election of the Mulroney years. He instructed ministers to make do with only five secret aides, compared with as many as 50 under the Tories, and already they are cutting under the restriction. Mike Mulroney's Lakeland Block office, with its designer-made chocolate-brown walls, has been taken over by Commons' policy unit. His wife, Alice, will work instead from 24 Sussex Drive, one furnished party with only furniture from Canadian embassies that have closed.

The cost-cutting drive helped Chrétien's government to avert a disaster, less so when it came to the first few weeks. But at least M's are back to work. In the first few weeks, M's were out of touch. But it gained force after the October vote. Prime Minister Jean Chrétien helped to set the new tone after the election of the Mulroney years. He instructed ministers to make do with only five secret aides, compared with as many as 50 under the Tories, and already they are cutting under the restriction. Mike Mulroney's Lakeland Block office, with its designer-made chocolate-brown walls, has been taken over by Commons' policy unit. His wife, Alice, will work instead from 24 Sussex Drive, one furnished party with only furniture from Canadian embassies that have closed.

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The obsession with cutting perks has gone too far

with least against so-called privileges in getting out of hand. "Some of this stuff is just crazy about what's a perk and what's not a perk," he says. "The political correctness is to look for anything that looks, sounds, feels or tastes like a perk and denounce it as being such, whether it is a perk or not."

The Reform party and leader Preston Manning are the high priests of Ottawa's new puritanism. "I view most of my colleagues as people who really would be uncomfortable in a padded or luxury situation,"

says John Duncan, a Vancouver island farmer who is one of the new Reform MPs. To make that point, Manning and most of his caucus have agreed to give up the parliamentary good life—or at least part of it. They are not entirely taking a 10-percent cut in their basic pay of \$64,000 a year. Manning said last week that he will donate his cut to the government's deficit-reduction trust fund, which will allow him a tax rebate.

But a third of Reform MPs voted against the pay cut, and some of them will be regarded to follow Manning's example. At the same time, Reformers are promising not to take their parliamentary pensions until age 60 and are giving up tips to the eighth floor at the Confederation Hotel, where Côté makes about \$3,000 a year running the Commons' barbering.

But has critics were quick to note what the Reformers did not give up, including first-class travel and use of the parliamentary restaurant. Ian McClelland, an Edmonton Reformers, said he wants to be able to take his constituents to the restaurant when they are in Ottawa. "We don't want to hand out ourselves," he says. "You can carry a hair shirt too far."

Manning admitted that the cuts are symbolic. But in an interview, he insisted that it is important symbols from MPs

Haircuts and shoeshines

Former prime minister Pierre Trudeau once said that 30 years after Parliament Hill, his hair or longer haircuts, shaving, they are still cut. But on the Hill and in its precincts, the 250 members of Parliament receive many haircuts and shoeshines. In the Commons, they are still cut. But on the Hill and in its precincts, the 250 members of Parliament receive many haircuts and shoeshines. In the Commons, they are still cut.

● An office budget of between \$171,730 and \$169,126, depending on riding size and population. The money mostly covers the salaries of aides, usually four to six each.

● A guest allowing five to six visitors, plus 60 family members, to stay at a house in Ottawa or elsewhere in Canada. An MP's immediate family can use some of the tickets. The budget for domestic travel this year is \$12.4 million.

● An additional travel allowance of up to \$2,000 per member that takes them wherever they like. Most MPs have their private residences, which, the rules demand, cannot be a sole child or other dependent property. Some MPs use the money to subsidize their Ottawa apartments.

● Free postage and printing.
● Scheduled personal services from a tailor, a hairdresser, a tailor, a shoeshiner and a masseuse who massages a private guest and steam room.
● A restaurant, two cabarets and two casinos. Prices are reduced to an annual cost of taxpayers of \$2.5 million. Example, a hamburger, fries, large drink and a dessert costs about \$4.50.

● Parties with more than 12 MPs receive Commons funding for a research office and the costs associated with a leader's office—including a correspondence unit, a press secretary, a tour planner and other aides.

TECHNOLOGY UPDATE



Could this be your dog?

New product by Radio Fence creates a hidden barrier to keep your dog in your yard and out of trouble. Finally, you can protect your dog from traffic and other dangerous situations without locking him in a pen.

By Carolyn Axman

A dog's owner often has the same dilemma: How can I keep my dog out of trouble? The answer is to use a dog fence. The fence is made of a thin, invisible wire that is buried in the ground. It is made of a thin, invisible wire that is buried in the ground. It is made of a thin, invisible wire that is buried in the ground.

Up and over the only solution was to install a solid conventional fence. But that's not always the best solution. It's not always the best solution. It's not always the best solution.

No leashes or cages. Now, there's Radio Fence. It's a hidden barrier that keeps your dog out of trouble. It's a hidden barrier that keeps your dog out of trouble. It's a hidden barrier that keeps your dog out of trouble.

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A hidden barrier that only your dog knows is there...

- No more ugly expensive fences
- No more restrictive enclosures
- No more exposed flower beds
- No more limited over-train cars
- No dogs disturbing neighbors
- No more worrying about your dog's safety or protection



Radio Fence creates a hidden barrier around your yard that only controls your pet.

A hidden barrier. Radio Fence acts as a hidden barrier that keeps your dog out of trouble. It's a hidden barrier that keeps your dog out of trouble. It's a hidden barrier that keeps your dog out of trouble.

Easy training. By spending just 15 minutes a day, you can teach your dog to stay in the yard. It's a hidden barrier that keeps your dog out of trouble. It's a hidden barrier that keeps your dog out of trouble. It's a hidden barrier that keeps your dog out of trouble.

Now does it work? A dog's owner often has the same dilemma: How can I keep my dog out of trouble? The answer is to use a dog fence. The fence is made of a thin, invisible wire that is buried in the ground. It is made of a thin, invisible wire that is buried in the ground.

Now does it work? A dog's owner often has the same dilemma: How can I keep my dog out of trouble? The answer is to use a dog fence. The fence is made of a thin, invisible wire that is buried in the ground. It is made of a thin, invisible wire that is buried in the ground.

Safety and freedom. Radio Fence will keep your dog out of trouble. It's a hidden barrier that keeps your dog out of trouble. It's a hidden barrier that keeps your dog out of trouble.

Guaranteed. Radio Fence is a hidden barrier that keeps your dog out of trouble. It's a hidden barrier that keeps your dog out of trouble. It's a hidden barrier that keeps your dog out of trouble.

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Now, you can keep your dog out of trouble. It's a hidden barrier that keeps your dog out of trouble. It's a hidden barrier that keeps your dog out of trouble.

Affordable lease. The new product by Radio Fence creates a hidden barrier to keep your dog in your yard and out of trouble. Finally, you can protect your dog from traffic and other dangerous situations without locking him in a pen.

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who are going to have to tell Canadians that with a deficit of up to \$46 billion projected for 1993-1994, they must accept less from government. "If the people who are bringing that message don't do something at least symbolically themselves, I don't know where you get the moral authority."

All told, democracy does not come cheap. The Commons' \$30-million budget for 1993-1994 includes \$16.4 million for the Library of Parliament and \$42.6 million for the Senate—which has its own barbers, laundries and gym. About a quarter of the Commons budget, \$86 million, is allocated for salaries and pensions for MPs as well as for the extra allowances paid to the Speaker, the Speaker, party leaders, cabinet ministers, party whips, caucus chairs and former prime ministers. On top of their \$60,000 salaries, MPs get a tax-free allowance of \$21,400. But much of the public attention has been fixed on pensions because of a relentless campaign by the National Citizens' Coalition.

The main complaint, says coalition president David Stoenerville, is that defeated or retiring MPs with six years' service can get their pensions unconditionally regardless of age, and that the pensions are indexed to protect against inflation. The day after the election, the coalition released details of pension abuse to be paid to defeated MPs with long service. The richest pension, \$70,436 a year, goes to 43-year-old Ferno Beatty, a Tory minister and MP for 22 years. The Liberals have promised to end so-called double-dipping, the practice whereby former MPs who are appointed to other government jobs can collect both their pensions and a government pension.

The debate about perks and privileges is as old as parliamentary government. "It used to be the cattle of the little back benches of Ottawa, fighting the while as they leashed their own avarice," Stephen Leacock wrote in 1907, when the maximum salary for MPs was \$2,500. But then Ernest, chairman of Selkirk Finance & Young Inc., a Montreal accounting firm that will report on MP's pay and pensions in February to Treasury Board President Art Eggleton, says the focus on perks misses the point. "Parliament makes a nice headline," he says, "but I don't think we'll solve the deficit of Canada by cutting on haircuts." Up on the eighth floor of the Confederation Block, meanwhile, Bernard Caron goes about his business, worried still that the debate is really about his job.

Charm and disorder

Parliament will be unpredictable

For some members of Parliament wondering what awaits them this week when the House of Commons begins sitting, Commons clerk Robert Marleau was pleased to offer enlightenment. At the start of a daylong session last week devoted to explaining to rookie MPs how Parliament functions, Marleau quoted Plato's description of democracy as "a charming form of government, full of vanity and disorder, and dispensing a sort of equality to equals and unequals alike."

In the new session, the atmosphere in the Commons is likely to reflect more disorder than charm, and underline the point.

behaviour of MPs. Early legislative efforts, says an adviser to Prime Minister Jean Chretien, will be greeted by two realities. "Number 1: we have no money to spend. Number 2: we have to get now to show we're serious about changing politics in this country." Among other things, that means setting new limits on the generous cronyism pension plan for MPs, lowering the demand for MPs' claims to be sitting past, increasing the authority of parliamentary committees, and establishing an independent ethics commissioner to rule on allegations of inappropriateness.

Those measures should pass with relatively little growingl from opposition parties. Many, after all, were initially suggested by the Reform party before being adopted by the Liberals. The more intense debate will come on topics either closed over or ignored in the speech from the throne outlining priorities for the coming session. The most significant questions will concern the contents of Finance Minister Paul Martin's 1994 budget, which will likely be presented in February. Martin is receiving conflicting advice: economists and senior advisers are urging him to cut spending at once by as much as \$50 billion, while some other Liberals advocate a slower approach that would spread cuts over two years.

The other potential storm clouds for the Liberals stem from the social programs and health care. To establish the importance he attaches to health-care reform, Chretien will likely chair a roundtable on the issue, involving department officials and outside experts. But on that topic, as well as reform of such programs as unemployment insurance, the most important battles will not be on the opposition benches. Rather, because those reforms touch on areas of provincial jurisdiction, Chretien and his ministers will concentrate on winning over their provincial counterparts. In both areas, the same principles will apply. "Reforms," says the Chretien adviser, "should involve spending less, not more." In almost every area, that will be the essence of the new Parliament.



Breakfast with Marleau at breakfast some are more equal than others

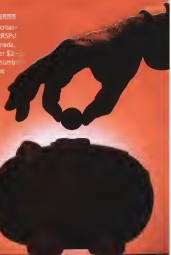
AN ANNUAL GUIDE TO RRSPs

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Canadians are becoming increasingly enthusiastic about RRSPs. According to Statistics Canada, we've already invested over \$2 billion in RRSPs, and this number is expected to reach \$500 billion by the year 2000. In fact, according to Wendy Brennan, senior product manager of retail deposits at National Trust, "many of our customers who started building their RRSPs in their 30s and 40s now have a substantial portfolio to administer, and an explosion of options and products to choose from to meet their demands."

This is the first of three features available to you in Maclean's that will help you make the right RRSP choices for you. But don't stop here. Staff at your financial institution, insurance company or mutual funds firm are available and eager to offer you the benefit of their expertise.



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*Source: Financial Post, December 28, 1991. Results for period ending November 30, 1991. All performance numbers are historical, annual compounded total returns, assuming reinvestment of distributions, with no accounting for any purchase fees or commissions. Past performance does not indicate a guarantee of future results. Unit value and investment return will fluctuate. Important information about this fund is contained in its simplified prospectus. Obtain a copy from your investment advisor or Dynamic Fund Management and read it carefully before investing.

Tax-planning to make your RRSP work harder for you

RRSPs are one of the best tax breaks around. For every \$1,000 you contribute into your plan, you could get half or more of it back as a tax refund (depending on the province you live in and your marginal tax bracket). For the rest of your working life, that entire \$1,000 can compound tax-free. Beyond these substantial benefits, there are additional tax advantages available to savvy investors. Read on to find out what they are.

Move assets outside your RRSP into it

If you lack the cashflow this year to make your full RRSP contribution, look towards your other assets, suggests accountant and lecturer Don Nilson, principal with the Vancouver-based Nilson & Co. Say your RRSP limit is \$13,500, for instance, and you've got \$13,500 in equities. You are entitled to transfer your equities into your self-directed RRSP as your annual contribution, and claim a tax deduction on the full \$13,500. You will, however, have to pay tax on the capital gains your equities attracted outside your RRSP if you've used up your exemption, based on the fair market value of your equities on the day you contributed them to your RRSP. But if there is a loss on that day, you will not be able to claim this on your personal tax return.

Alternatively, you can exchange interest-bearing securities, such as

money market funds which you hold outside your RRSP, for equities within your RRSP. Once the equities are outside the plan, future capital gains can be sheltered under your lifetime capital gains exemption, losses can be claimed, and dividends can receive the advantage of the Dividend Tax Credit. In the meantime, interest-bearing securities inside your RRSP can compound tax-free.

Use the free \$8,000 overpayment provision



Although you can't deduct it, you are now allowed a cumulative lifetime, penalty-free \$8,000 RRSP overcontribution. If you're 32 years old, overcontribute by \$8,000 now and always stay \$8,000 overcontributed, that \$8,000 would grow to more than \$80,000 by age 62, assuming it earned 10 per cent per year. Outside your RRSP, it could end up worth less than half that amount after tax, even earning the same



Steven Kelman, vice-president, corporate and public relations, Dynamic Funds Management. Also author of *RRSPs 1984*, published by the Financial Times, and co-author, with Jonathan and Ned Goodman, of *Investing in Gold*.

1 The Canadian equity market continues to provide substantial potential. We think it will do well thanks in part to the economic recovery in North America, and in part because the Canadian dollar will continue its slide through '94, which will enable export-oriented industries to widen their profit margins. Certain segments of the resource area will do well because resources are priced in U.S. dollars, which means higher profit margins.

2 Maximize your foreign content within a self-directed RRSP, using foreign equities and European currency bonds. The European market will probably continue to perform well because of declining interest rates in Europe and the recovery of the European economy.

3 The outlook for gold has been improving over the past year. I would expect continuing gains in the gold and gold share market as gold supplies decline and demand continues to grow.



Doug Armstrong, President of Alterra Investment Services

1. At present, 40% of my RRSP is in our fixed income and global bond funds. Bond funds add stability to your portfolio and take out some of the volatility associated with the stock market. Over extended periods, bonds have out-performed other fixed income investments, such as GICs and money market funds. I stay invested in bonds, through good and bad times.

2. The other 60% of my portfolio is invested in equities. About 10% of these provide me with exposure to the foreign market through global funds. I'll probably increase my exposure to the European market. We think markets are relatively weak there now and that the recovery will take hold soon. Our Canadian equities have good exposure to resource-based and cyclical stocks, which we think will do well during the recovery here in North America.

10% "There is, however, a 15-17-year breakeven period, depending on the return you're earning, because you didn't deduct your excess contribution when it went in and you will have to pay tax on your earnings when they come out," warns Brian Cunliffe, vice-president, RBC Dominion Securities.

Keep careful records to ensure you never overcontribute beyond \$8,000 for you're subject to a penalty of 1 per cent per month for any amount that exceeds your personal limit, effective the date of the over-contribution. If you're a member of a pension plan at work, suggests Nilson, consider overcontributing by less than the \$8,000, since adjustments to that plan may put you over the top and subject to the penalty.

Income-split with your spouse

If you know that your spouse will receive less income and therefore be taxed at a lower rate than you after retiring, you can contribute up to your personal limit to a spousal RRSP in order to ultimately maximize your "after-tax" retirement income.

You are entitled to put any amount of your RRSP contribution, based on your earned income, into a spousal RRSP, and you can continue to make spousal contributions as long as your spouse is under 72. Contributions can only be made during the current year or up to 60 days

after the year end.

Spousal RRSPs are not, however, without their risks. If your spouse makes a withdrawal from his or her spousal plan during the year you contribute or at any time during the next two years, the sum that he or she withdraws enters your income, as far as Revenue Canada is concerned. [This rule also applies if your spouse converts the RRSP into a RRIF, to the extent that he or she withdraws any amounts greater than the minimum amounts required. It doesn't apply, though, if the spousal RRSP is

10 most common RRSP mistakes (courtesy of the Bank of Nova Scotia)

1. Precontribution.
2. Not renewing your RRSP annually to ensure that your investments work hard for you.
3. Inadequate diversification.
4. Making an annual lump sum contribution right before the deadline.
5. Not taking advantage of spousal RRSPs.
6. Buying a mutual fund based solely on last year's performance.
7. Having all your deposit certificates come due on the same day, month or year.
8. Not naming beneficiaries for your RRSPs. Unless you do so, your RRSP becomes part of your estate, and has to pass through probate and the estate estate-settlement process.
9. Taking undue risks that jeopardize your retirement nest egg. If going to invest in a hot tip, do so outside your RRSP.
10. Withdrawing funds from your RRSP when you have non-registered savings available.



Don Flood, President and CEO of Templeton Management Ltd.

1. The 50% share of our assets I consider my wife's RRSP and my RRSP (we combined plan) are invested in our Canadian Heritage Retirement Fund. It invests in Canadian equities, which I expect will do well over the long term. And it counts as a 100% Canadian investment even though 30% of it is in foreign markets. That enables me to really maximize my foreign exposure.

2. I have also maximized the foreign component of our RRSPs to the limit, and they are equally divided among three different funds. One third is in our emerging markets fund. Another third is in our smaller companies fund, which invests in small companies located in primarily developed nations. The final third is in our international stock fund, which I happen to manage. It is diversified in developed markets outside North America.

I would expect some volatility in this portion of my portfolio in the short term, but I'm 48, and I am prepared to go through at least three if not four market cycles by the time I'm 65. If you can't sleep because of your investments, you should invest to your sleeping point.

3. I still hold our Heritage Bond Fund, though I'm inclined to believe that fixed income assets are a waning asset right now. I intend to rethink and determine whether we want to keep the bond fund in our RRSPs.

WHEN IT
COMES TO
RRSPs,
WE HAVE
SOMETHING
NO ONE ELSE
HAS.



us.

What makes one RRSF different from another?

At Scotiabank, we believe it's people. More to the point, our people.

Whether it's a branch manager or a customer service representative, we'll help you get the most out of your retirement savings.

And the way we do this is simple—we spend time with you.

When you walk into any Scotiabank branch, it won't matter if you're new to RRSFs or a seasoned investor.

Because we're ready to sit down with you for however long it takes so that we can understand your needs and explain your options.

And that's the difference we think will make a bigger difference in the long run.

WHAT INVESTMENTS ARE RIGHT FOR YOU?

To help answer this question, we use the Scotia Investment Selector.

It's a simple, yet effective tool that indicates what kind of investments might be right for you.

And it's only at Scotiabank.

With the Scotia Investment Selector, we ask you six simple questions. Such as: what is your

investment knowledge? What are your investment objectives? Are you looking for growth or income? And so on.

Based on your answers, the Scotia Investment Selector will suggest some appropriate areas of investment.

Which can lead to a highly individualized and highly promising portfolio.

A CHOICE OF RRSF INVESTMENT OPTIONS.

Basically, there are three types of RRSFs: mutual funds, self-directed and deposit RRSFs.

Mutual funds have become enormously popular and are something for you to consider this year.

The Scotia® Mutual Funds® family has now grown to 13 funds, 11 of which are 100% RRSF eligible.

A Scotia Mutual Funds representative will explain each Fund, what its objectives are, and if it fits into your investment strategy.

There are no sales or redemption fees. So it costs less to invest. And therefore, you have more to invest.

For the more savvy investor, there's the option of a Scotia Discount Brokerage Self-Directed RRSF.

And now when you open a Scotia Discount Brokerage Self-Directed RRSF, you don't pay the \$75 annual administration fee for 1994.

And of course, Deposit RRSFs

provide a high degree of safety for your money while offering a good return on your investment.

Ask in any Scotiabank branch about the bonus interest offer on our Guaranteed Rate Investments.

WE WANT TO HELP YOU SAVE.

What else can we do for you?

If you're short of cash, we'll discuss ways to help you finance your RRSF contribution.

Like a personal loan at our best rate. For the first four months of the loan you only have to pay the interest.

That's usually the time it takes to get your tax refund so you can pay off all or a portion of the loan right away.

We can help you plan for next year's contribution. That's where our Pay Yourself Too Plan® could come into play.

It's an effortless way to make contributions on a monthly basis.

No matter what you're looking for this RRSF season, expect to have all the options laid out for you when you come to Scotiabank.

Because at Scotiabank, we know that it's not just RRSFs you're interested in.

It's your future.

Scotia RRSFs
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TOP TIPS FROM PROFESSIONALS
Financial broadcaster Gordon Page, author of *Golden Pages*, *1994 Buyer's Guide to RRSPs*, *Retiring Without*, and many other books.

- 1 You'll love your sp if you buy into well-diversified international stock funds that invest all over the world.
- 2 I'm very bullish on Canadian equities, assuming we don't run into a political crisis. The fundamentals of the market are good, our economy — and our export trade — are coming back, and our

low dollar is helping, too.

- 3 International specialty stock funds, such as those that invest in the Far East and Europe, are higher-risk than other international funds, but if you pick ones that concentrate on areas of potential high growth, their potential return is much greater. The Far East, for instance, is one of the world's fastest-growing economies.

- 4 I expect international bond funds to outperform Canadian bond funds this year, just as they did last year, and some are 100% RRSP-eligible. They provide foreign exposure, and should do well when interest rates in Europe fall a lot more than they already have.

- 5 A well-managed international money fund enables you to diversify out of Canadian dollars and should give you a better return than Canadian currency, because there are higher interest rates available in other parts of the world.

annualized.)

If you're both getting private pension plan income, spousal plans may offer additional tax savings. 1994 is the last year that you can roll up to \$6,000 of income from your pension plan or QPP (CPP, QPP and OAS do not qualify) into a spousal RRSP, and claim it as a \$6,000 RRSP deduction (assuming your spouse is under 72). It may even be worthwhile to withdraw \$6,000 out of your own RRSP and contribute it into your spouse's RRSP. "You wouldn't get a tax deduction in that case," says Nilson, "but it enables you to build up your spouse's RRSP, which would provide long-term income splitting."

You cannot use the \$6,000 over-contribution provision to legitimize future RRSP claims under the \$6,000 spousal rollover. The \$6,000 over-contribution can only be applied against future earned-income RRSP deductions, says Nilson.

So every couple should probably consider the benefits of spousal RRSPs at some point in their marriage. And not only married couples. Beginning last year, common-law spouses, with some restrictions, were



TOP TIPS FROM PROFESSIONALS
Brian Cunniff, vice-president RBC Dominion Securities

- 1 About 25% of my portfolio would go into bonds. Long-term bonds and strip bonds paying 8 1/2% are still available, and that's not a bad return, especially considering that interest income inside your RRSP is all tax-free.

- 2 I know this is a contrarian point of view, but I like having up to 25% of my portfolio in short-term interest vehicles — like money market funds. Stock market prices are at all-time record highs. A currency crisis or slow economy could easily make the market go down. Money market funds would give me the buying power I want if the marketplace changes quickly.

- 3 The balance of my portfolio is invested for growth in equities. I'll put the allowable limit for foreign content — up to 20% — into good mutual funds that invest in Asia, Europe and Mexico. Another 10% will go into gold or gold mutual funds. Gold is relatively volatile and has been out of favor for the past decade, but more and more investors are so aware of currencies that they're starting to turn to gold as a hedge against their uncertainty. The final 20% of my portfolio would be in conservative blue-chip Canadian stocks or stock mutual funds.

entitled to set up spousal RRSPs. Unmarried couples, which are defined as a male and a female, have to have been living together for at least one year to qualify. If they are the natural or adoptive parents of a child, there is no limitation on the length of time they have lived together.

Claim RRSP deductions when they will do you the most good

If you had an unusually-low income year in 1993 but anticipate higher income in future years, "you can make your full 1993 contribution now," suggests RBC Dominion Securities' Cunniff, "but postpone the deduction to a future year, when your tax savings will be greater."

Likewise, although you are not entitled to contribute to your RRSP past age 72, you can carry forward RRSP deductions past that date. So if you're 71 and still generating eligible income, suggests Nilson, "forecast how much more earned income you'll have before you retire, and then make a one-time overcontribution to your RRSP of 10% of that sum to a maximum of \$8,000." You still have

to collapse your RRSP after you turn 71, but you'll be able to claim this pre-paid deduction every year for the next seven years. ■

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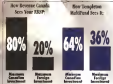
THE RULES

- The deadline for your 1993 RRSP contribution is March 1, 1994.
- The maximum you can contribute to your RRSP for 1993 is your unused contributions from past years, plus the lesser of:
 - 18 per cent of 1992's earned income
- or
- \$12,500 minus your Pension Adjustment for 1992, minus Past Service Pension Adjustments, if applicable.
- The maximum contribution limit will rise to \$13,500 for 1994 (or 18% of 1993's earned income), \$14,500 in 1995, and \$15,500 in 1996. It will be indexed from 1997 on.
- Because you are entitled to carry forward potential RRSP contributions for at least seven years, you can carry forward \$11,500 from 1991 and \$12,500 from 1992.

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AGF CANADIAN BOND FUND					
ANNUAL COMPOUND RATE OF RETURN TO DECEMBER 31, 1993 (%)					
1YR	2YR	3YR	5YR	10YR	15YR
10.2	10.1	10.0	10.4	10.2	10.4

If you had put your annual RRSP contribution into AGF Canadian Bond Fund instead of a Guaranteed Investment Certificate (GIC) on December 31, 1990, you would have made an annual average compound rate of return of 10.0% on your money.

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are invested in short-term government bonds that can provide you with a high return, good protection and price stability.

AGF HIGH INCOME FUND		
ANNUAL COMPOUND RATE OF RETURN TO DECEMBER 31, 1993 (%)		
1YR	2YR	3YR
10.4	10.0	10.2

You would have earned an average annual compound rate of 10.1% over the past three years in AGF High Income Fund.

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AGF Global Government Bond Fund provides a simple and cost-effective way to achieve this objective with a single investment.

AGF GLOBAL GOVERNMENT BOND FUND			
ANNUAL COMPOUND RATE OF RETURN TO DECEMBER 31, 1993 (%)			
1YR	2YR	3YR	5YR
11.0	10.7	10.8	10.8

We believe a combination of these funds can provide a prudent and conservative alternative for anybody putting their RRSP contributions into bank GICs. The track records speak for themselves.



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Calculate Your Retirement Savings Goal

If you want to determine whether your current RRSP savings and future contributions will be enough to fund your desired retirement lifestyle, follow the seven easy steps outlined below. (Adapted from information provided by Scotiabank)

Step 1: Determine your RRSP accumulation goal.

To begin with, figure out how much RRSP savings you will require by the time you plan to retire.

In general, you can assume that you will need 60-65% of your pre-retirement annual income.

Write down the annual income that you (and your spouse or partner) would like to receive during your retirement, based on what you are earning today, and multiply it by the Inflation Factor that corresponds to the number of years from now to the year in which you plan to retire.

Annual retirement income that you want:

\$ _____ x Inflation Factor _____ = \$ _____

Inflation factor (Use the figure which corresponds to the number of years until you plan to retire. (Based on 2% inflation.)

5 years: 1.104 10 years: 1.219

15 years: 1.340 20 years: 1.488

25 years: 1.641 30 years: 1.811

35 years: 2

Step 2: Determine how much of this income must come from your RRSP savings.

To determine how much of your retirement income must come from your RRSP savings, multiply your desired annual retirement income (from Step 1) by 30 - 35% if you have a company pension, and 40-50% if you don't have a company pension. You can use an even higher percentage if you are diagnosed with the future availability of government pensions.

Annual retirement income (from Step 1) _____ x _____ % =
_____ (desired annual income that will come from RRSP savings)

Step 3: Calculate your RRSP accumulation goal.

Next you must take into consideration approximately how many years you want to cover your retirement income and what your investment returns will be over that time. In order to do this, determine your Retirement Projection Factor from the chart below. If you want the income for 20 years but estimate a different return on your RRSP savings, for example, the corresponding Retirement Projection Factor is 13.615. To calculate the sum of money you will need at retirement, multiply the desired annual income from your RRSP savings (Step 2) by your Retirement Projection Factor.

# of years income is needed	Retirement Projection Factor			
	4%	6%	8%	10%
5 years	4.719	4.443	4.226	4.020
10 years	9.001	8.143	7.401	6.756
15 years	12.887	11.180	9.383	8.042
20 years	16.413	13.685	11.580	9.834
25 years	19.674	16.752	13.338	10.813
30 years	22.658	19.488	15.940	11.436
35 years	25.153	21.885	18.201	11.942

Desired income (from Step 2) \$ _____ x Retirement Projection Factor _____ = \$ _____ (RRSP accumulation goal)

Step 4: Determine how much you currently have in your RRSP(s).

Amount you currently have in your RRSP(s) \$ _____

Step 5: Determine what your current RRSP savings will be worth upon retirement.

To determine what your current RRSP savings will be worth upon retirement, multiply the amount you currently have in RRSP(s) (from Step 4) by your Future Value Factor. If you plan to retire in 25 years and estimate that your RRSP(s) will earn 6%, for instance, your Future Value Factor is 4.261.

# of years until you plan to retire	Future Value Factor Compound Annual Investment Return during the years until retirement			
	4%	6%	8%	10%
5 years	1.217	1.338	1.468	1.611
10 years	1.480	1.791	2.158	2.594
15 years	1.801	2.382	3.172	4.177
20 years	2.191	3.262	4.601	6.727
25 years	2.666	4.482	6.848	10.834
30 years	3.243	6.143	10.062	15.649
35 years	3.946	8.484	14.186	22.182

Current amount in RRSP(s) (from Step 4) _____ x Future Value Factor _____ = \$ _____ (What your current RRSP(s) will be worth upon retirement)

Step 6: Determine your net RRSP accumulation goal.

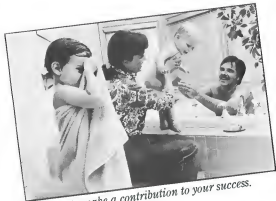
In order to determine whether there is a gap between the income your current RRSP(s) can provide upon your retirement and the additional RRSP savings you will require by then, do the following calculation:

RRSP Accumulation Goal (from Step 3) \$ _____ - What your current RRSP(s) will be worth upon retirement (from Step 4) \$ _____ = \$ _____ (your net RRSP accumulation goal)

Step 7: Determine how much you need to save annually in order to reach your goal.

Perform the following calculations:
 Your net RRSP accumulation goal (from Step 6) \$ _____ divided by Annual Contribution Factor (from Chart below, use the same number of years and investment return you used in Step 5) \$ _____ = \$ _____ (amount you have to save annually)

# of years until you plan to retire	Annual Contribution Factors			
	4%	6%	8%	10%
5 years	5.416	5.627	5.887	6.184
10 years	10.000	10.181	10.487	10.837
15 years	14.023	14.218	14.543	14.912
20 years	18.276	18.585	19.027	19.514
25 years	22.745	23.166	23.706	24.348
30 years	27.451	28.007	28.682	29.441
35 years	32.451	33.432	34.234	35.118



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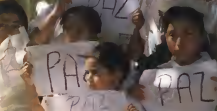
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**Troops: children
holding peace
signs in San Cristóbal
de las Casas (left). 'All
of Mexico is Chiapas'**



A CRY FROM THE PEOPLE

The Chiapas revolt shatters Mexico's slick new image

On the serpentine mountain road that climbs northeast from the 16th-century southern Mexican town of San Cristóbal de las Casas, only 125 km from the Guatemala border, the view is the stuff of travel-agent dreams. Shrub pine forests drop to jagged, awe-inspiring beauty, where Maya villages nest the mercurials with adobe huts perched on jagged peaks and turquoise. Carved out of the mountainsides, their tiny hamlets cling tenaciously to the rock of Chiapas, Mexico's most remote—and dangerously poor—state. For last week, 13 days after a rebel peasant army shattered the new year's calm of San Cristóbal—singing and three other towns in a violent protest against official corruption and the newly implemented North American Free Trade Agreement (NAFTA)—the highway was still littered with the relics of Latin America's latest guerrilla war.

On the outskirts of San Cristóbal, where hawkeyed Indian women scribbled lamely in an open ditch running past their counterlock shanties, the pitiful Mexican defence forces had set up a makeshift mess and canteen at a Pemex filling station. Alongside the fuel pumps, dozens of boys sat idly, brandishing 30-calibre automatic rifles and cradling the bodies of army-felled trucks, awaiting the guerrillas' next move down from their mountain caves.

Only scores up the road, past a series of army checkpoints, the cluttered shell of a local bus still bulked. Looking one lane—a monument to the end of the Mexican air force, whose bombing sprees have been blamed for hundreds of civilian deaths. And a blood-stained bus was abandoned on the empty asphalt had caused further questions about the military's tactics in quelling the insurgency.

After San Cristóbal's busy Midway Square, Ruiz accused the defence forces of attacking and torturing unarmed peasants, dozens of intermar-

ried human rights activists—including two Guatemalan delegations—one led by United Church minister Juan Michel, the other by An assembly of First Nations Chief Ovide Mercredi—descended on Chiapas to investigate the charges. At first, the government of President Carlos Salinas de Gortari cut off access to the vast wilderness combat zone. Then, late last week, after two days of talks, authorities finally reopened the little-scoured road to the market town of Ocosingo—hoping to demonstrate that they had the crisis in hand.

But as a war carrying a Mayan's reporter dodged past patrol and bombers that the guerrillas had dragged across the highway, their claim seemed increasingly in doubt.

Defence had enveloped the highways only minutes before Ocosingo when, just ahead, a coffee grower's car and pickup truck screeched to a halt at a roadblock of rocks. As he climbed out to close away the rubble, a woman walked out of the Mexican woman's face to turn back.

"This was not the voice of the army," she roared the stone-battered car, who asked for asylum as he returned to be a T-shirt to his rifle and was a makeshift white flag. "I don't know who I was, but I know that the army is nowhere around here."

At week's end, while Mexico's state-dominated press trumpeted the government's claim to have routed the rebels, Salinas's own actions seemed to beg the question of which side was dipping the scales of the game. Day by day, he moved to meet the guerrillas' demands. He closed a national canteen, he eased Babay Ruiz, a liberation theologian whom the government had targeted as an instigator of the uprising, only a week earlier to the official negotiating committee. And

shifting his cabinet to replace Interior Minister Francisco González Gortázar, a former governor of Chiapas who is among the main rebel aims in the state. For years, Indians saw the Mayan name of Palenque, where he owns large tracts of ranchland, have accused him of looking the other way while Indian marchers wage campaigns of harassment, including beatings, to drive them off their ancestral lands.

Ironically, González's own rule in Chiapas had helped win him his own way. Just a few days before his resignation, he had been named as the new president's pick to succeed Salinas. But his cabinet had allowed the fire of that campaign. Overnight, the rebel's call for clean elections focused an unrelenting international spotlight on the 65-year-old single-party rule of Salinas's Institutional Revolutionary Party (PRI), which many Mexicans believe won the 1988 vote by fraud.

Equally important, the crisis has threatened Salinas's leading card, Cuernavaca, Carlos, from a 36-hour commander who could barely sit at a roadblock of rocks. He led a crowd of 20,000 through the streets of Mexico City last week in a protest march against government brutality in Chiapas.

Warring guerrillas reading "All of Mexico is Chiapas" and "Mexico First World—No, No, No," the demonstrators shook the government by adding consistency weight to the guerrillas' battle cry. Together, they have indicted the right of a rich, modernized Mexico—in a region defined by the government with the help of the U.S. public relations giant Burson-Marsteller, which collected some \$7.7 million in fees and expenses to promote Mexico's case as NAFTA talks near 1990.

The rebels, a mysterious ragtag band calling themselves the Zapatista National Liberation Army—after Efraín Zúñiga, the hero of the 1920 Revolution who defended peasants' rights to ranch land from the rich—have drawn worldwide attention to the bleak underbelly of Mexico's vaunted economic miracle. During Salinas's pre-NAFTA presidential tenure, nearly two dozen well-connected families amassed huge

assets (up to 80 per cent of previously state-owned companies). Meanwhile, in Chiapas and other obscure corners of the country, nearly half the population continues to scratch out a subsistence-level existence. Living in candlelight huts with dirt floors and no running water, many are racked by disease and unable to send their children to schools that are many kilometers distant.

Amid a surprising number of Mexicans, there seems almost a sense of relief that the widening chasm between rich and poor has finally been exposed. "Chiapas is only one symbol of a whole country where the poor are getting poorer," said Babay Ruiz. Vets of neighboring Juarez, a drug-trade hotbed, have seen a similar connection as the crisis. "Everything is in question with this crisis—the conviction of the nation as a whole."

At an emergency meeting of 200 peasant leaders in a coffee warehouse outside San Cristóbal last week, some speakers refused to be quieted by their own dismay. "The Zapatistas with this violent strategy. After decades of neglect, Salinas's government had suddenly dispatched three of its top officials to the site—here to address their concerns. In January, President Carlos, secretary general of an indigenous growers' organization, pointed out: 'We may not share the guerrillas' methods, but we admit that they exposed the weakness of the people. That's why so many took up arms.'"

Among the crowd was Antonio Pérez Gómez, an Indian leader who had walked for six hours from Ocosingo to attend the meeting. But after leaving to the smoothly tailored federal officials, he remained skeptical. "For 35 years, I have lived on the same mountainside and nothing has changed," he said. And Roberto López, who till barely enough coffee, corn and beans on his rugged plot of Chiapas to feed and clothe his wife and six children. "We're here looking for a school for five years. But we never heard anything from the government until now."

Although the Zapatistas launched their insurrection on the day that NAFTA came into effect, branding it a "death sentence" on the indigenous people—and warning that international agreements would be like up small, unscrupulous plots—to Pérez and López, NAFTA is not an indigenous government's scapegoat. "It was hardly true for the dozens of officials who descended last week on San Cristóbal to dismiss any suggestion of a link between the uprising and NAFTA. In fact, no government can declare limited on such the credit courtyard of the Diego de Mazarón Hotel—a site of an indigenous media center complete with free long-distance telephones—San Cristóbal began to acquire a second life.

Drawn by the presence of hundreds of reporters, an assorted cast of what one reporter termed "the usual suspects" dropped in to agree before the cameras and tape recorders. Former U.S. presidential candidate Jerry Brown tagged along with a California human rights delegation. And Ramsey Clark, senior attorney general under U.S. President Jimmy Carter, showed up to tell the Zapatistas opening an "a cry from the indigenous people—a shot heard around the world."

The irony of that sudden explosion of international attention was not lost on Babay Ruiz, who has spent 13 years fighting the suddenly fabu-



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world's most vulnerable children. When he arrived in 1993 at the newly-opened cathedral of San Cristobal, he found the local Indians, descendants of once proud Mayas who raised great pyramids in the jungles to the east, so worried by the local Latinos that they were not even allowed on the sidewalks where they brought their corn and weavings to town. After years of opposition from the state and federal governments for seeking to their legal and physical woes, he faced an even greater threat: that fall when the pagan Indians in Mexico City, apparently bowing to pressure from the state, denounced him for activities threatening to his office. And when the uprising began, federal officials were quick to label him the chief architect of the guerrilla movement. "It's used to that," shrugged his assistant, Father Guadalupe. "For 34 years, he's been blamed for everything so what's new?"

What was new last week was that, standing in the Diego de Mazarin courtyard beside Salinas's hand-picked crisis coordinator, Manuel Camacho Solis, the partly ancient bishop suddenly found himself the darling of a government that realized that the rebels would not negotiate with anyone else. "Don't blame" as he is kindly known by his parishioners, did not let the war pass unnoticed. "I feel," he twined behind his horn-rimmed "like one of my congregation who remarked after a sermon, 'I am fascinated by your fascination.'"

Heading those towns, declaring requests for interviews and meetings with human rights activists, the bishop clearly saw the Chiapas rebellion as the opportunity not simply to mediate with the mountain rebels, but as the opening he has been waiting for—an opportunity as he wrote put it to "find the real solutions to all the radical problems down here: land, housing and justice, justice, justice."

It was a sense of urgency not just to Ovidio Miramontes, who flew into San Cristobal last week with a delegation from Montreal's Centre for Human Rights and Democratic Development. "The loss of credibility internationally is a major fear of the Mexican government," he said. "But as soon as that disappears, will the treatment of the indigenous people change?"

For Miramontes, the voyage to Chiapas was all so a chance to show Canadian aid, before politics. The danger at Mexico, they should assume their own sources of aid. They're very quick to condemn violence. But for the Canadian people to call for justice in Mexico, they have to call for it at home."

As he spoke, one of Don Senne's charges, a priest in Chiapas, was laughing. He was laughing because of confessions told out in a gesture of pity on the floor of a dilapidated wooden church in the nearby village of Chimalam. In a morning blind of Catholic and Mayan practices, he knelt between rows of skulls in glass cases, each dressed in an elaborate costume signifying a divine spirit, and began the ritual chanting necessary for the resurrection of spirits. "For peace, for Don Senne!" he said, solemnly moving on the floor and taking a gesture of respect of Papa Cola—whose babies, he explained, would drive the evil spirits away to

Business as usual

Canadian investors shrug off Mexico's bloody uprising

Since taking office in 1988, Mexican President Carlos Salinas de Gortari has worked tirelessly to convince international investors that his country is a safe place to do business. His efforts appear to have paid off: even the country's uprising in southern Chiapas state, and subsequent bombings in Mexico City and the resort centre of Acapulco have not shaken confidence in his ability to maintain order. "In business, perception is often reality," declared Fred Blazer, a Toronto-based international business adviser with the consulting firm Ernst and Young. "Even though the uprising has been violent, there is no reason to expect it to be widespread or long lasting."

an corporations have yet to find a way of tapping Mexico's rich potential. Canada consistently reports more from Mexico than it sells there—producing a trade deficit in 1992 of \$1.3 billion. Nor has there been any massive flow of capital. In 1991, Canadians invested just \$280 million there, a mere \$10 million more than in 1988, when Salinas's economic reform program began. The negotiation of the North American Free Trade Agreement, however, has altered attitudes. In anticipation of the month's World Economic Forum, the second a host of Murphy Canadian firms—like banking Montreal-based Bombardier Inc., the Chief of Nova Scotia, Northern Telecom Ltd. and Magna International, an automotive supplier—have made sizable Mexican investments.



Canadian tourists in Puerto Vallarta this month popular

That optimistic view is exactly what most business people—excluding those in the travel industry—want to hear. Each week, tens of thousands of well-to-do Canadians escape to popular Mexican resorts. Last week's Ontario's department of foreign affairs set up a toll-free line, informing travellers that it was "business as usual" in Mexico despite the Chiapas violence. The reality was reassuring. "No one seems to be panicking," explained Joyce MacDougall, senior vice-president of Toronto-based P. Lawson Travel. Conversely, Marjorie Reynolds, director of marketing for Maclean/Martin Travel, Atlantic Canada's largest agency, "I know of very few cancellations. If anything, the bad weather has encouraged more travellers to visit about Mexico."

Business strategists are equally bullish on Mexico, both because of its low wage rates and because its 96 million citizens represent a huge potential market. Even so, most Canadian

All the same, investors will be keeping close tabs on the latest from the Chiapas crisis, not on any further allegations of human rights abuses that could threaten Mexico's international reputation. Jaymie Myers, chief economist at the Canadian Manufacturers' Association, says that prolonged political and economic instability would hurt a large number of Canadian businesses—not simply those exporting to Mexico, but also those with subsidiaries in Mexico. "The biggest concern is that American businesses—the largest market for Canadian exports—might cut back on exports to Mexico, reducing their need for raw materials from Canada. Used metals? A lot hangs on how quickly the Mexican government re-establishes a stable situation, and the manner in which they do it."

JOHN DEBONT is in Mexico with JOHN FORTSE in Calgary



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Clinton greets Maslovskis he left his chequesbook in Washington

WORLD RUSSIA

CHILLY SCENES OF WINTER

East-West relations may be cooling again

When he packed his bags for Moscow last week, Bill Clinton left behind so many that he has helped to make more US-Russia relations highly successful. A chequesbook. Unwilling to play any more financial aid on top of money that has already been promised, the President could offer little more than good support for Russia's painful economic transition from communism. Clinton and his Russian counterpart, Boris Yeltsin, did achieve one breakthrough: persuading Ukrainian President Leonid Kravchuk to eliminate the world's third-largest nuclear arsenal—the 1,600 warheads that Ukraine inherited when the Soviet Union collapsed in 1991. But even that agreement may not be worth much. The res-

on Ukrainian legislators, who fear a revival of Russian imperialism, could easily refuse to ratify the nuclear accord.

The uncertainty that surrounds the new agreement underlines the fragile nature of Western relations with the former Soviet republics. Just as Ukrainian fears of Russian expansion could scuttle the nuclear draw agreement, recent developments within Russia threaten the harmony that has prevailed between Moscow and its former Cold War adversaries. The Yeltsin honeymoon received a jolt a December when Russian voters elected a dozen number of ultra-nationalist legislators—led by Vladimir Zhirinovskiy, a far-right populist who wants Russia to reclaim all former Soviet territory

Since then, Western governments have watched in dismay as Prime Minister Viktor Chernomyrdin—the second-most powerful politician in the country after Yeltsin—has moved to silence and slow the pace of economic change.

Clinton and his advisers would have been far happier to have visited Moscow in the wake of an election victory by forces loyal to Yegor Gaidar, the architect of Yeltsin's economic reform program. Instead, Russian voters showed that they were fed up with politicians that have plunged most of their cities into poverty. The results left Gaidar and his followers with 156 seats in the Duma, or lower house. The main opposition grouping in the week and quarter-hour 450-seat assembly is Zhirinovskiy's misleadingly named Liberal Democratic Party, which has 64 representatives. The outcome of last month's election left Clinton, wrestling with a diplomatic dilemma during his Russian visit, how to handle Zhirinovskiy. After heated debate within his administration, Clinton decided to ignore the outspoken ultra-nationalist, who among other things has threatened, if elected president, to use nuclear weapons against Japan, to attack Germany and to reassert control over former Soviet republics. Zhirinovskiy shrugged off the nation's rebuke, remarking that Clinton's actions would help him to lead the Russian presidency in June 1996. It is very strange that Clinton refused to have a meeting with the chairman of the extremist opposition party in Russia, Zhirinovskiy said.

In fact, Yeltsin's government has already started to inch toward its separatist position. The Russian president publicly assured Clinton last week that his economic reform program will continue apace. But Clinton's advisers' actions suggest otherwise. In effect the government has barely begun to restructure the country's massive state-owned factories and collective farms. Instead, firms are unemployed, it continues to prop up such socialist dinosaurs with such measures as granting huge, low-interest government loans. In one case, within days of the election, Yeltsin's officials provided \$500 million in support to factories that scale tractors and other agricultural equipment. US officials say that such policies have fueled inflation, which at least has reached 25 per cent a month during the past year.

As well as dragging its heels on economic reform, Yeltsin's government has recently taken a harder line towards Moscow's former governors and ousted Soviet satellites in Eastern Europe. Russia's financial and military might overclouds not only Ukraine but also the 12 other former Soviet republics that Russia now call the 'independent republics', or republics. About 20 million Russians are still scattered across the old empire outside Russia's borders and Russian soldiers still patrol the frontiers between Armenia and Turkey, and Tajikistan and Afghanistan. More than two years after the Baltic states regained their independence after half a century of Soviet occupation, there are still some 16,000 former Soviet soldiers stationed in Latvia and Estonia.

Russian Foreign Minister Andrei Kozyrev, who has had to avoid a question whether there is a lack of the West, has been at the forefront of the recent policy shift, actively seeking international approval for Russia's right to maintain peace and order in neighbouring states. Kozyrev has reaffirmed Moscow's determination to protect Russian-speaking minorities outside Russia's borders. And he is only one of a chorus of government representatives who have vocally opposed the admission of members of the economic club's Western Defense Pact into NATO.

In response, Clinton and other Western alliance leaders, in a move that furthered Russian fears of isolation last week by offering only limited forms of military cooperation to Eastern European states—a so-called Partnership for Peace that is also open to Russia.

That cautious approach deeply disappointed Polish President Lech Walasa and other leaders in the region, whose warmest received dissidents by Moscow have in contrast seen the Russian election. Nervous about Moscow's intentions in particular by strong in Latvia, Lithuania and Estonia.

where there is widespread frustration with the slow pace of Russia's military withdrawal. In the same week that Clinton and Yeltsin were meeting each other in the Kremlin, a 14th-anniversary celebration in Riga, the Latvian capital, underlined the region's continuing ability to generate international crises. The trouble began when Latvian paramilitary forces surrounded a Russian military base near Riga to protest the continuing presence of Russian soldiers. Local authorities later arrested two Russian generals, prompting an angry Russian Defense Minister Pavel Grachev to place Russian military troops in the area on full alert. The army attacked the western Riga and Moscow continued for a full day—ending only when the Russian government freed the two Russian officers and fired the soldiers' mayor who had ordered their arrest. 'Truly senseless acts like these could cause Latvia's independence', remarked Latvian Foreign Minister Guntis Krastins after the incident. It was a sobering reminder of the continued potential for conflict in the former Soviet empire.

MALCOLM GARY in Moscow



Site of Whitewater housing project failed to go past the planning stage

'WE NEVER MADE A PENNY'

For nearly two years, Bill Clinton and his wife, Hillary, have been insisting that they did nothing wrong when they invested in Whitewater Development Corp., a partnership formed in 1987 to buy and sell lots for vacation homes in the Ozark Mountains of Arkansas. "We never made a penny on it," the President has said. "It's bewildering that a lying investigation is still a topic of inquiry," echoed the first lady. But the Clinton's insistence on an exonerated position, who the media saw as necessary, coupled with their charges that Republican calls for an independent investigation of the matter amounted to nothing more than partisan politics, crumpled last week. As Baltimore Sun columnist Roger Simon pointed out, "It doesn't matter if the Clintons made a dime off Whitewater or lost a million. What matters is what they did and how they did it."

In the midst of his European tour, Clinton finally succumbed to political pressure and asked Attorney General Janet Reno to appoint a special counsel to investigate Whitewater and the Clintons' relationship with the Arkansas and Louisiana State Bank Association. The small Arkansas bank collapsed under a mountain of bad loans

in 1989, leaving taxpayers with a \$20-million bill for over \$600 million in deposits. Madison's owners were James and Susan McDougall, the Clintons' partners in Whitewater. Clinton charged that Clinton, as governor of Arkansas, used his influence to keep the bank afloat long after it should have gone under—resulting in such preferential loans to the public purse.

Last week, Reno promised to appoint someone "rigidly independent" as special counsel. The investigation is expected to concentrate on the Clintons' claimed special treatment from state regulators because of the McDougalls' relationship with the Clintons, and whether bank funds were improperly used to prop up the Whitewater partnership and then Governor Clinton's 1994 re-election campaign. The inquiry could also look into whether Hillary Clinton, who reportedly received a \$2,000-a-month retainer to act as Madison's lawyer, got special treatment to act

state regulators when she submitted a reorganization plan for the bank before it was shut down. An additional question is whether Clinton used his influence to help Susan McDougall get a \$300,000 loan backed by the federal Small Business Administration. James McDougall furnished some of that money into Whitewater—an act he claims was a mistake.

Since he began campaigning for the presidency, Clinton has survived a series of potentially embarrassing issues. His drift overseas during the war in Vietnam, his marriage as at a student and mourning allegations of an extramarital affair. But the questions that surround Whitewater and the Madison County Savings and Loan are far more serious. They deal not with his personal life, but with his integrity as a public official. And that is one issue that is unlikely to fade away.

WILLIAM LOEWEN in Washington

FAMILY FEUD

Pakistani Prime Minister Benazir Bhutto accused her mother, Nusrat Bhutto, of attempting to undermine her leadership. Nusrat Bhutto, whose Benazir Bhutto assisted as head of the ruling Pakistan People's Party, has repeatedly criticized her daughter. The feud began after the prime minister's brother, Mir Murtaza Bhutto, who faces charges of sedition, returned from exile in November. The prime minister said that her mother is trying to "pave the way for the son that she feels should be, in her own words, heir" to the family's political dynasty.

WOMEN BATTLE ON

The U.S. defense department ordered the army and marine corps to begin ground combat support units for the first time to women. Although women will still be barred from front-line infantry service, the current "risk rule" will be rescinded. Under a new definition of combat, they may now serve in units performing such tasks as chemical reconnaissance and electronic jamming.

A LEAP OF FAITH

Katherine, the Duchess of Kent, whose husband, Edward, is 18th in line to the British throne, left the Church of England and converted to Roman Catholicism. The 61-year-old duchess is a first member of the Royal Family to convert to Catholicism since King Charles II in 1685.

QUARANTINE LIFTED

The Cuban government will no longer quarantine all people returning with the AIDS virus. Since 1985, HIV-positive Cubans have been confined in sanatoriums, a policy condemned by AIDS activists as a violation of human rights.

BREAST-FEEDING AND CANCER

A study in *The New England Journal of Medicine* indicated that breast-feeding in some circumstances lowers the risk of breast cancer. Researchers found that women who breast-fed their first child when they were under 30, and for at least six months, were roughly half as likely to suffer from breast cancer before menopause as those who had not.

AN ACT OF ATONEMENT

A German court ruled that all descendants of Germans—most of them Jews—driven out of the country by the Nazis and stripped of their citizenship have a right to German nationality. Previously, only the sons and daughters of those stripped of their nationality for political, racial or religious reasons had a right to citizenship.

World NOTES



A DEADLY SIEGE: Israeli soldiers blow up a house in a occupied West Bank town of Hebron in a clash that claimed the lives of four Palestinians. The army said the victims, who first opened fire on Israeli troops, were members of Qassam, the military wing of the Hamas Islamic Resistance Movement that opposes peace with Israel. One Israeli soldier was wounded in the incident, which brought the death toll along a historic score reached with the Palestine Liberation Organization in September to 53 Palestinians and 24 Israelis.

Scandals rock Britain

British Prime Minister John Major faced a crisis of confidence as his recently launched campaign for family values has been battered by a series of sexual and financial scandals involving Conservative government MPs. Initial public sympathy for a junior transport minister, Lord Cuthbert, who resigned after his wife shot herself on Jan. 8, evaporated amid reports that she committed suicide because her husband was having an extramarital affair. In other scandals, a Tory minister resigned after leeching an illegitimate child from an adulterous liaison, and a Major aide quit after reports of profiting on a state housing scheme. Some Conservative party members have said they will support another candidate for prime minister if Major does not restore civility soon. An opinion poll released last week showed that only 26

per cent of voters support the Conservatives compared with 58 per cent who favor the Labour Party.

Ciampi steps down

Italian Prime Minister Carlo Ciampi, 73, resigned, paving the way for a general election to replace the country's corruption-plagued parliament. The election will be held under a new Centesime-style simple-majority voting system in districts, which will replace the proportional representation system that has produced 52 fractious governments since the Second World War. One-fifth of Italian parliamentary deputies are currently under investigation for alleged corruption and Mafia links.

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TURNING IT AROUND

NORTH AMERICAN CARMAKERS WOO BACK CUSTOMERS

Sales managers at BMW, Mercedes-Benz and Jaguar are still shaking their heads in wonder over last month's results. Although December is usually a slow period for the auto industry, sales of these luxury car brands were more than 90 per cent higher than in the same month a year earlier. Company officials attribute the spike to the arrival of new models, lower interest rates and even the booming stock market, which generated hefty poured bonuses for some dealers. At Jaguar, where prices start at \$72,000, John Arnone, a spokesman at Jaguar Canada's Toronto-based head office, speculates that the strong December showing might also signal the end of a five-year slump in car sales. "The road is definitely up-bright for prestige cars," and Arnone "it feels like something magic is happening. A turnaround in the market."

Although a jump in luxury car sales is hardly a foolproof economic indicator for the rest of the industry—indeed, auto sales overall were three per cent lower last month than in December, 1990—dealers and other observers share Arnone's optimism. As the industry shows off its newest cars and trucks all over the country this winter, analysts, manufacturers and dealers are predicting that 1991 will bring a long-awaited turnaround. Auto sales in Canada have been falling steadily since 1988 and last year hit their lowest level since 1935—1.7 million vehicles. In the United States, where consumer confidence is stronger and unemployment levels are only about half those in Canada, the turnaround has already happened. Rising U.S. sales last year spurred a boom at Canadian assembly plants, which report 80 per cent of their production to the United States. Auto production in Canada increased to a record 2.24 million vehicles in 1989, forcing many assembly plants and parts manufacturers to work at maximum capacity, near-capacity levels. And for the first time, Canada surpassed Japan as the largest exporter of vehicles to

the United States. "This industry didn't just recover last year," said Dennis Denison, a Toronto analyst, "it exploded."

This year, the industry expects Canadians to buy about 300,000 more vehicles than in 1990. In addition to the growth in U.S. sales and falling interest rates, the main reason cited for the optimism is the advancing age of the cars on Canadian highways. Jim O'Donnell, senior vice-president of auto financing

variety of new car and truck models this year. Chrysler Corp. unveiled its new subcompact, the Neon at the North American International Auto Show in Detroit earlier this month. The company's Canadian subsidiary was almost similar in enjoying a healthy sales increase—11 per cent—in 1990, a result attributed to the range of options now Chrysler, Dodge and Jeep vehicles introduced over the past two years. Two



Pepples, hoping that consumer anxiety will not flatten a sales rebound in 1991

and retail lending at the Bank of Nova Scotia in Toronto, says that the average Canadian vehicle is 7.5 years old. Although modern cars last longer than their predecessors, that is still the highest level since the Second World War, and almost a full year older than the average age in 1989, the year the industry picked up steam after the last recession. "Seventy per cent of the stock is over eight years old," said O'Donnell. "People can get just by buying a car for a while, but at some point they have to replace them."

Another factor that should help sales in the

years ago, for instance, the crowd talked about cars at the Detroit auto show were Chrysler's sleek new sedans; the company's first all-new family vehicle since the early 1980s. Also noted earlier only in Vancouver, Ont., and more recently also at a plant in Delaware, drive have attracted a wave of young, well-heeled customers to a company previously known for stodgy designs.

This year, Chrysler's biggest bet could turn out to be the Neon, a Volkswagen-type whose biggest selling point is probably its

price—among in Canada from \$10,985 to \$14,595, depending on the version. At that level, it will provide strong competition to Japanese subcompact cars such as the Honda Civic and the Toyota Corolla. In fact, Japanese auto companies are struggling in the North American market because their prices have been pulled up by the strong appreciation of the yen against the dollar in recent years. Japanese car and truck sales in Canada fell by an average of 16 per cent in 1990, compared with a gain of six per cent for the big three North American manufacturers.

In Detroit, Volkswagen AG also unveiled a subcompact car reminiscent of the old Beetle. Although the car was a rounded concept vehicle, as unveiled in part to test the public's reaction to new design, Volkswagen officials say that it may eventually find its way into showrooms, aimed at buyers who have fond memories of the popular little round car. Another compact new product is the Ford Motor Company of Canada Eds a Windsor mass on. The Windsor is a front-wheel-drive car that will be 18 in. longer than Ford's old Aerostar van, is designed to be direct competition for Chrysler's highly popular and profitable family of minivans.



Minivan continues to be among the most popular products in the new vehicle market—accounting for about 40 per cent of truck sales as families continue to choose three over the traditional station wagon. The Windsor, which will go into production at the end of January at Ford's Oakville, Ont., plant, is built on the base of Ford's popular Taurus car and its price will start at \$24,000, considerably more expensive than the Plymouth Voyager and Grand Voyager with which it will compete.

General Motors of Canada Ltd. (GM) has also unveiled several new models, including two small pickup trucks, the Chevrolet S-10 and the GMC Sonora, the Oldsmobile Aurora, a luxury sedan, and new versions of the mid-sized Chevrolet Monte

Carlo and Lumina. The Monte Carlo and the Lumina, which will go into production in February, will be built at Oshawa, Ontario.

In addition to the new vehicles, automakers are also coming to another type of consumer-driven innovation, safety features. Said Richard Golding, vice-president of the Canadian Automobile Association in Ottawa. "In the 1990s, safety really does sell." That is a reflection of new developments in the auto industry Golding says that ever since the Ford Edsel, which was loaded with safety features, led spectacularly with consumers in the 1950s, the industry had tended to settle old safety as a selling point. "Now the whole issue is about how to develop new safety features."

"They're looking for products that will help them live safe." Car designers have responded with such things as air block brakes, air bags for both the driver and front seat, passenger and child-proof rear-door locks, all of which are standard features on many 1991 models. And they have also introduced a variety of other secondary features such as headlights, because dirty headlights can cut a driver's visibility by as much as 50 per cent, covering lights, which warn of lane-changing intentions and rear fog lights, extra bright lights that make a car more visible to drivers behind it.

With this combination of a new atmosphere to consumer desires a host of new products low financing costs and rising sales, the auto industry is still concerned about any negative factors—weak consumer confidence. GM Canada president, George Pepples, speaking at the opening of the Montreal International Auto Show last week, said that while consumer confidence in the United States has recovered to mid-1980s levels, in Canada it is languishing at levels comparable to those experienced during the recession of the early 1980s. "I would like to say that the Canadian consumer has nothing to fear but fear itself," he said.

Pepples said that there are some lingering positive factors for these fears. "In particular, Pepples said that Canada's high levels of government debt have made consumers anxious about the future."

It is important that the auto industry avoid these factors, which threaten Canadian auto sales, and to companies. They have not only sold more minivans and other high-end products in the past few years, but they are also responsible for almost half of the Canada's reported economic growth in 1989. While car sales in that country rose nine per cent, and U.S. production increased 32 per cent, Canadian

ON THE FAST TRACK?

Automakers roll out their latest offerings, hoping that 1991 will bring a long-awaited rebound



NEON

By pricing its new five-passenger subcompact between \$10,985 and \$14,545, Chrysler hopes to give the Japanese a run for their money.



CONCEPT I

Volkswagen's concept car at this year's auto shows is reminiscent of the old Beetle. The company has not decided whether to add this car to its product line.



WINDSTAR

Built on the same platform as the Taurus, Ford's new minivan is designed to take on Chrysler's popular and highly profitable Magic Wagons

production up 15 percent.

Industry experts give credit for those numbers to the federal officials who recently re-organized Canada's auto trade agreements with the United States. "It's one of our most competently managed trade policy areas," says Deslauriers. "They have moved their negotiating chips to lower the vehicle importers' entry-making substantial dollar investments in Canada." He says that much of the latest U.S. investment is directly related to the negotiations over the Canada-U.S. Free Trade Agreement and the North American Free Trade Agreement (NAFTA), which will supersede crucial parts of the 1985 Auto Pact. Canadian trade negotiators, he said, told U.S. manufacturers that Canada would support NAFTA only if new automobile plants were built in Canada. Said Deslauriers: "It is not just a clever trick—most Canadian guys like Chrysler's 15 cars at the new Windsor."

Unfortunately for Canadians, the increase in auto production has so far had only limited modest numbers of new jobs. That is because manufacturers and parts suppliers have drastically improved their productivity with new equipment and cost-reducing designs. GM's Lucania and Monte Carlo are typical of the new vehicles, in that they contain several hundred fewer parts than previous models and take a third less time to assemble.

Similar productivity gains have helped to reshape the parts industry. Neil De Boer, president of the Automotive Parts Manufacturers Association, says that the 426 companies that belong to his organization now generate an average of \$203,000 worth of parts per employee, compared with \$158,000 in 1989. Because of the increase in auto production, many parts manufacturers are now operating at full capacity—and will have to raise the cost of their parts to cover the increase.

Given the current trend, it is little wonder that Norma Maritz, sales manager for Mercedes-Benz Canada in Toronto, is now telling her 150 "people dealers" about going out and buying a \$100,000 car if they've just laid off people from their business, or if their neighbors are having trouble, he said. "But new people are starting to feel like they're over the hump and they're moving. They aren't reeling in tears when they're laid off, and they're ready to buy." Then, he pauses and adds: "Of course, we said the same thing last year, and it didn't happen." Still, most of the signs seem to suggest that, like the outlook at Capricorn, Canadians will be bucking the auto downturn this spring to resume their romance with the car.

BRUNDA DARGASHI

A RELATIVE PROBLEM



BY DELROSE MCMURTRY

They were carmen people... they smashed up things and created and then retreated back into their money or their next destination, or whatever it was that held them together, and let other people piece up the mess they had made.

F. Scott Fitzgerald,
The Great Gatsby

Since biblical times, the combination of family and business has spelled trouble. Whether it is a head of state or a major corporate enterprise at stake, adding rivalry and interpersonal spats into the mix has added a nasty twist to the tale. And in Canada, where a relatively small economy has traditionally been dominated by sprawling



Harrison McCauley: brother against brother

ing, family-controlled businesses, individual families have often been damaging and disruptive—especially for innocent bystanders who have invested in, or are employed by, the company in question.

The good news is that those days are finally waning to a close. While some may harbor a sentimental attachment to Canada's corporate Family Compact, it is a model that is unlikely to reemerge for modern, multinational markets. And given the unprecedented record of most family firms—many are typically unable to sustain the founder's drive and vision much beyond the second generation—it is a

healthy sign that they are steadily giving way to professional managers and a wider, broader base of public shareholders, in an era of global capital, who wish to do business with a company that might dramatically alter its strategy and structure simply because miscellaneous brothers and sisters suddenly find the sandbox too small?

The subject of sibling rivalry brings us to the ranks of the latest dysfunctional dynasty—the McCaules of Roseville, N.B. In a fit of public pipe-lay summer, brothers Wallace and Harrison put up their dukes and began slugging it out. Wallace alleged that he was being "oppressed" by his older brother, Harrison, who was plotting in secret his own bid to force a 32-bribe international hotel conglomerate. On Jan. 10, they started a 10-hour conference call at the University of New Brunswick and began a probe hearing before a provincial court judge to resolve their differences, possibly by splitting the company in two. The family will find the entire bid for the hearing is a bid to avoid outside scrutiny of their dirty deal. But however private the process, the outcome will have a very public impact. McCain Foods employs about 12,899 workers at three companies—4,200 of them in New Brunswick, a province where jobs are a precious commodity. The company, furthermore, has a high profile in international business circles.

Clearly the law has more for the McCaules to follow: a well-trodden path and fun over the next to outsiders who can manage the business alone professional rather than blood ties. Whether initial advantages came from the brothers' bond appears to have disappeared. And when families lose discipline and dignity and begin self-indulgent venting their squabbles, it is a strong signal that it is time to change horses before serious damage is done. More often than not, the devastating rift between family members already leaves a thriving business without direction.

That is precisely what happened with operations run by such families as the Shinglers, Bilews, Demme, Woodcock, and Bilews. By the time the dust settled and some order was restored, the companies were in tatters. And in several of those cases, minority shareholders were also badly burned.

There are, of course, some notable exceptions. By pinning obsolete trucks and withdrawing distinct spheres of influence for siblings, the Deane, O'Brien and Thomas families have so far managed to avoid public disaster. But only those who exhibit restraint and responsibility deserve to stay in charge.

DISCOUNT DAYS

Aggressive U.S. retailer Wal-Mart Stores of Arkansas is moving into Canada by acquiring about 125 discount department stores from New York-based Woodworth Corp. Although the details of the deal were not disclosed, Wal-Mart stated that it plans to hire most of the Woodworth store employees. In addition, the retailer said it will also hire the remaining employees "as it builds its operations in Canada."

CAUSE INVESTS IN RIVAL

The Cause de dépôt at placepoint du Québec, the province's grand civil service pension fund, invested \$60 million in a fund managed by the Blackstone Group Inc., a New York City investment bank that the fund closed with last year in a bet for control of the Montreal-based Provena supermarket chain. Last March, Blackstone offered \$11 per share for control of Uvelve Inc., which owns Provena. But Blackstone withdrew its bid after several Quebec politicians and business leaders, including Quebec executives, criticized the deal. The Cause then purchased Uvelve shares for \$3.50 apiece.

CHRISTIAN HIRES AN OLD FRIEND

Prime Minister Jean Chrétien hired Toronto lawyer Robert Wright, his chief fund-raiser for the 1984 Liberal leadership campaign, to negotiate the conclusion of a controversial contract to privatize two terminals at Toronto's Pearson International Airport. Last August, the Conservative government promised a return of airport when it awarded a 37-year lease on the two terminals to Pappert Inc., a consortium that included several Tory and Liberal backers. Christian cancelled the deal last month after a report by former Galt & Galt partner Robert Nixon concluded that Pappert had an unfair advantage in bidding for the contract.

CANADA'S CREDIT CONFIRMED

Canada is maintaining its credit rating from Moody's Investor Service of New York, a leading international debt-rating service. Although the agency said that Canada's Triple A rating is warranted by the country's political stability, industrial economy and capacity to support debt, it warned that the climbing debt must be returned to calm investors. A decline in revenue from the sale of the weak domestic economy brought the federal deficit for the eight months from April to November 1993 to \$26.6 billion, up \$1.6 billion from the same period the previous year.

Business NOTES



Abitibi-Price logging site in Ontario, where it will market with a recession-battered giant

Unloading a hot potato

Call it a multifamily-dollar banker's gamble that paid off. When Canada's Big Six banks and other lenders pulled the plug and jettisoned the Revlon family's Urethane, York Developments Ltd. (YDL) got out of the hot water. They were betting that they could obtain more by selling off pieces of the family's empire than they could by going the Revlonians more time to pay off billions of dollars in mortgage loans. Last week they sold one of the big-dollar loans. Galt's 56 percent stake in the recession-battered pulp and paper plant, Abitibi Price, Abitibi had lost \$45.2 million since 1980, including \$15.4 million in the first nine months of last year. But with last week's move, the lenders dumped into a hot stock market—one that has posted up the share prices of even big money losers—and sold Galt's Abitibi stake for \$880 million.

The buyers, a group of Big Street investment dealers who will sell the shares to individual investors at \$16.25 apiece, up from \$10.25 just last September. However, the banks still have Galt's 70 per cent stake in Galt Canada Resources Ltd. to unload. The Revlonians pledged the Galt shares and the Abitibi shares as collateral for a \$3.3 billion

loan. But investors remain cool towards Galt because of sagging world oil prices and Galt's own \$1.1 billion debt load. The company's shares are now languishing at \$4.76, making the lenders' stake worth just \$335 million. So the bankers say that they have no immediate plans to sell. They are betting that a hot stock market will heat up even more.

Unitil layoffs

Unitil Communications Inc., the Toronto-based long-distance phone carrier, announced that it will eliminate 600 jobs, or about 20 per cent of its workforce, by 1996. Unitil president George Harvey said that technological advances and changes in government regulations made some of those jobs redundant. But he also cautioned that "predatory pricing" by Bell Canada and other competitors is forcing his company to take drastic measures to stay afloat. Unitil will now delay construction of a telephone exchange centre in northern New Brunswick, pending the completion of an internal review.

Harvey: complaints about Bell



The cost of feeding Canada

As the owner and president of Great Dairy Ltd. in Bradford, Ont., George Campbell finds himself in an important role between the farmers whose cows produce milk and the consumers who buy it. He also has a mandate not in the growing debate between the two groups over the cost of food in Canada. Before Ottawa and the provinces introduced marketing boards in the early 1970s to control the price and supply of many farm commodities, Great Dairy bought raw milk from scores of southwestern Ontario farmers. The prices and quality were seldom consistent. But now, Campbell deals solely with the Ontario Milk Marketing Board, which guarantees Great Dairy a steady supply of Grade A raw milk at prices set by the board. Such stability, however, has come at a price. In a recent conversation with a dairy processor in Wisconsin, Campbell learned that he pays about 21 cents more than his U.S. counterpart pays for raw milk. Says Campbell, "Supply management has never been good for the consumer."

A growing number of economists, executives in food-processing industries and consumer advocates now share that opinion. They argue that supply management has added billions of dollars a year to the food bills of Canadians. It works out to an extra \$200 to \$400 a year for the average Canadian family, says Prof. Michele Verrean, chairman of the department of rural economy at the University of Alberta in Edmonton. Proponents of supply management, mainly poultry and dairy farmers, argue vociferously elsewhere that the issue involves issues far beyond consumer prices. They say that they have developed a unique, nationwide Canada system of food production that provides all Canadians with a safe and wholesome product, while preserving the family farm. Sir Colin Clark, general manager of the Ontario-based Canadian Chicken Marketing Agency "If we [as consumers] have to pay a couple of extra cents more for a chicken, I think it's worth it."

Many consumers themselves, however, have been largely silent in recent years on whether they think supply management is worth the extra cost. The most common form of protest has been cross-border shopping since Americans in border cities have even started calling Canadians "cheese-heads" after one of the items that they buy most often.

The conclusion of the semi-annual Uruguay Round talks of the General Agreement on Tariffs and Trade (GATT) in Geneva last month added fuel to the debate over Canada's marketing boards. Under the new work trade rules, which came into effect on July 1, 1993, Ottawa will no longer be able to maintain self-imposed quotas to protect supply



management. Agriculture minister Ralph Goodale was able to salvage two of the three legs on which supply management stands: price controls and production quotas. But the third leg, the export quotas, must be replaced with tariffs. As well, all 116 GATT participants, including Canada, must allow duty-free imports of each commodity amounting to three to five per cent of the domestic market. To soften the blow for dairy and poultry farmers, Canada has proposed a hefty tariff schedule, ranging from 182 per cent on turkey to 351 per cent on butter imports. Under the GATT rules, Ottawa must lower these tariffs by a minimum of 15 per cent by the year 2001. That would mean reducing the turkey tariff to 155 per cent and the tariff on butter to 209 per cent. Negotiators will set the final tariff schedule in April.

Few economists forecast any price changes for supply-managed goods for Canadian consumers over the next year. At the GATT agreement, And in the end, the economists note, it is the poorest consumers who are hardest hit because they already pay a much higher portion of their income for food than wealthy Canadians. Jack Jellison, president of the Ottawa-based Canadian Federation of Agriculture, says that critics of supply management have misrepresented the tariff percentages. Consumers will not pay the tariffs, he insists, either directly or indirectly, as Canadian-produced dairy and poultry, but only on imports. And those made up less than five per cent of supply-managed goods sold in Canada. Instead, Jellison says, the tariffs are meant to be the equivalent of the protection now offered by import quotas.

Even under the current rules, Jellison argues that farmers are not reaching themselves at the expense of consumers. "We put a tariff on the argument that we are raising prices off," he says. "The numbers just don't show that." Jellison notes, for instance, that the cost of food in Canada has risen more slowly than the overall consumer price index in the past decade, by 35 per cent compared with 46 per cent. Not are farmers getting wealthy. In 1990, he noted, the average farm family of four earned \$52,000, compared with \$42,500 for the average Canadian family of four.

While some critics of supply management sympathize with the farmers, they have little grace for the spurs. Dorcas Galtner, a researcher



with the Consumers' Association of Canada in Ottawa, said that all consumers pay higher prices for food under supply management because the current import quotas—and the proposed tariffs under the new GATT agreement—protect inefficient, high-cost producers. Studies show that Canadian prices are double the world average for milk, 20 per cent higher for eggs and 20 to 30 per cent higher for chickens. The new GATT agreement will do little to change that, she said. "Import controls will disappear, but the tariff will obviously keep it a hell of a lot higher," she added. Despite the fact that it seems so entrenched, the supply management system is less than 20 years old. Ottawa and the provinces began imposing commodity marketing boards after the Second World War, and there are now more than 300 of them. But most of those boards still grow out of local politics and power, or foreign governments to pay grain. As a result, said the University of Alberta's Verrean, almost such marketing boards are "consumer leeches"—they add little or nothing to the final price of the product.

But in late 1980s, the federal Liberal government proposed the concept of supply management as a way of smoothing out the often wild fluctuations in farm prices—and the resulting booms and busts as farmers' incomes. However, Ottawa left it up to groups representing producers of each commodity to decide whether they wanted to participate. Beef, hog, and grain farmers, among others, rejected the idea. But poultry and dairy farmers opted for the steady prices and protected local markets associated with supply management. The key to the program was a system of quotas, which are similar to licenses. They were granted to supply-management farmers and each quota set a limit on the amount of food product that each farmer could produce and market.

Farmers producing commodities in that zone did not pay to receive their quotas, which typically reflected their existing output. But those who have taken up poultry or dairy farming since then have had to buy their quota allowances, either from established producers or from a provincial marketing board. Today, the value of those quotas for dairy producers

The nation's farm supply-management system is causing controversy at home as global trade rules change

ranges from \$200,000 to \$400,000 a farm. "Quotas were a once-only gift to farmers in production at the time," explained Barry Penner, an associate professor in the department of agronomy economics at the University of Manitoba in Winnipeg. "Those who have had to buy quotas aren't necessarily raising their profits. You have to pay for the quotas, and it becomes a vicious cycle." Verrean added that a major role of the system is to restrict the production capacity of efficient farmers. And as a result, Verrean says, consumers pay higher prices for milk, butter, cheese, eggs, chickens and turkey.

Critics of the boards also argue that they are very costly to administer. Each commodity is represented by its own board at both the federal and provincial levels. All have developed their own enforcement procedures and their own bureaucracies that employ thousands of workers—and there are no free estimates of how many. As well, Penner said, the boards are still hampered by international trade at a time when their open trade is fast becoming a global reality. He added that provincial politicians, who tend to view supply management as a method of regional development, usually try to resist federal quotas from producers to prevent, regardless of shifting demand for food.

But farmers and other proponents of supply management argue that there is more than just economics at stake in the debate over marketing boards. The chicken agency's Currie, for one, says that because of supply management, Canada has been able to maintain more family farms than in well-served States, where large agribusinesses have taken over the poultry industry.

But beef farmers who moved supply management in the early 1970s say that Canadian producers do not need to bid behind their counterparts. "History has proven that we have built a competitive industry," said Jim Caldwell, general manager of the Canadian Chicken's Association. He said that for the past two years, Canada's 300,000 beef cattle producers have operated successfully in a worldwide U.S. American market and are poised to be globally competitive. In 1989, Caldwell said, Canadian beef farmers exported 44 per cent of their total production, bringing in \$1.5 billion. At the same time, Canada is also the world's largest per capita supplier of beef. As a result, Canadian beef prices are highly competitive.

However, and recently, the debate over supply management has been largely overshadowed by a widespread proposal to end the system and open up the market to global competition. The proposal would bring the most vocal Consumers' group and have been the source of much harsh supply management adds to their weekly food bill. And even those who see sense of the hidden costs may feel that any of a number of other means constraining them have a higher priority. In contrast, poultry and dairy farmers insist that their very livelihood is at stake—as obvious incentive to fight their hard to maintain supply management.

But the Consumers' Association has now joined forces with other interested groups to form an umbrella group called the Food Industries Partners. That organization, which also includes the Grocery Products Manufacturers Association, the Canadian Federation of Independent Grocers, the Canadian Restaurant Association and Foodservice Association, and the United Food and Commercial Workers Union, plans to lobby for reform of supply management. If such groups apply enough pressure on the federal government, which has the power, Canada's dairy and poultry farmers may have to change the way they do business.

BARBARA WICKENS

In pursuit of policy

Canada's new federal agriculture minister juggles budget cuts and new trade rules

In the tradition of postwar Europe, women would stand their wares just to feed their families. In modern-day Canada, people daily grove eager live and risk their lives in a never-ending struggle to feed themselves. For most Canadians, however, the business of putting food on the table involves little more than a trip to the supermarket where the choices are not just in what, but in how, but goats or chicken. Chicken or Corn Flakes. According to farm leaders, that abundance—and the fact that most Canadian take it for granted—lowers them at worst disadvantage in an ongoing debate about Canada's fragmented domestic agricultural policy. Throughout most history, that policy has largely been shaped by the promise that farmers must be shielded from turbulent markets and unpredictable harvests. Now, however, plans and government budgets and new global trading rules are forcing Canada to reexamine that approach to agriculture.

At the core of the debate over the direction of agricultural policy is the federal Minister of Agriculture Ralph Goodale, a 40-year-old 30' from the heart of Saskatchewan, north country. At a time of soaring federal and provincial government debt, Goodale has offered a costly package of agricultural support and industry programs. And despite his stated commitment to "a strong and healthy agriculture sector," observers question his ability to exert great influence over fellow cabinet members—none of whom share such strong rural roots. But while Goodale struggles to reconcile the ideological opinions with the federal government's mandate to stabilise spending, he must also ensure that Canada complies with the new rules set out under the recent General Agreement on Tariffs and Trade (GATT)—as well as the North American Free Trade Agreement (NAFTA). Late last week, Canada and the United States were negotiating a solution to an ongoing trade

dispute over Canadian grain exports and the subsidization of grain transportation. Trade officials at the United States have reportedly threatened to withhold an incrimination into Canadian exports if no agreement is reached soon.

Early next month, he will convene a meeting of provincial agriculture ministers in Ottawa to launch a series of meeting farm support payments. "We have to get our collective act together here and pool our resources in the most effective way," Goodale told *AgriWeek* in an interview. For his part, Saskatchewan's Minister of Agriculture Darrell Cassingham added, "What we're looking at is limited money both federally and provincially and what we need to spend our money as smart as we can."

Although Ottawa expects to spend more than \$2 billion in farm subsidies this year—the total budget for the federal agriculture department is projected at about \$5 billion for 1994-1995—the pressure to cut back on that budget is mounting. Goodale says that his department is committed to participating fully in the federal campaign to beat Canada's deficit to three per cent of gross domestic product within six years. In Alberta, the agriculture sector is already feeling the squeeze. Last week, the province announced a reduction of 30 per cent from the annual agriculture budget when it released a 946-mile base-year subsidy program for cattle. The province plans to spend

million this fiscal year. The cuts are divided among Ottawa, the provinces and producers, but without exception Saskatchewan, which received 40 per cent of total payments in 1992, is threatening to withdraw from the high-cost, state may be jeopardized by GATT because it forces one commodity.

Dairy Subsidization. Although it tends to get less attention than other issues, this program disburses about \$225 million a year to dairy producers who are protected by supply management. The government insists that the payments are levied to stabilize the dairy price paid by consumers.

Risk Insurance. This program compensates farmers whose crops have been damaged by natural disasters. Ottawa's share of the cost, which is also underwritten by provinces and producers, is estimated at \$60 million.

NSIC (The National Income Stabilization Account). Federal officials estimate that this will cost about \$15 million this year. Ottawa will also provide a contribution to the cost of a farmer's net assets by a general account, an amount deposited by the farmer. The money can be withdrawn in bad years. Currently, it only applies primarily to grain, oilseeds and specialty crops, but Ottawa wants to expand it to include livestock. Such programs are more likely to withstand GATT challenges because the trade rules are primarily aimed at discouraging subsidies of particular commodities.

NTSP (The National Tripartite Stabilization Program). With a budget of \$80 million, it covers a grab bag of commodities, including apples, honey, beer and hops. It is administered with producers and provinces and could run into problems with GATT.



Taking the bullish approach

Shirley Brunet runs an export eye over the headquarters of a five-year-old Holstein named Dedee that is quite clearly engaged in group both. Two shiny white heads, a gleaming black snout and a long black neck protrude from the cow's business end. "Looks like a bull," the 32-year-old Quebec dairy farmer says with a chuckle of disappointment. "Feel are way too big for a heifer." Ten minutes later, Brunet is proved correct. "Yes, it's a bull all right," he remarks as he places between the legs of the black-and-white newborn calf. "Too bad. What I need right now are cows, good producers—so many as I can get my hands on."

And a reasonably good business it is, too. Brunet, like the vast majority of Quebec's 12,000 dairy farmers, is relatively prosperous. He and his wife, France Brunet, also 32, jointly own 700 acres of gently rolling farmland near the village of St. Asbert, 75 km southwest of Montreal. Meadland within sight of New York state's Adirondack Mountains,

Goodale planning to expand despite the threat of GATT.

the farm supports a herd of 70 Holsteins, 40 of which are currently giving milk. Every two days, the Brunets' Holsteins produce about 1,700 litres of high-quality milk, sufficient to earn an annual gross income of close to \$300,000. After all the bills are paid, Brunet and France usually realize a profit of around \$40,000, half of which is reinvested to update the farm's equipment or expand the herd. "We're not getting rich," Brunet says, "but we're making enough to raise the kids comfortably and still have something left over to play with. It's a pretty good living."

Goodale and Brunet say there is no secret about the underlying reasons for the good health of the family enterprise. "We mostly

live close to herd work, but it's also a result of the supply-management system," declares Goodale, referring to the Quebec marketing board—the Fédération des producteurs de lait du Québec—which tightly controls the milk industry in the province. Like its counterparts across the country, the board sets production quotas for individual farmers, then the prices they receive and regulates—or bans—imports of milk and milk products that has allowed Quebec farmers to flourish, last year capturing 90 per cent of the Quebec market in dairy products and 40 per cent of the national market.

The system is complex, involving sliding scales of quotas for fat, protein and lactose as well as a number of subsidies and premiums levied to maintain conditions. Last month, for example, they shipped 34,400 litres of raw milk. The marketing board paid \$8,243—\$4,297 for 702 kg of fat, \$4,472 for 687 kg of protein and \$874 for 1,230 kg of lactose. "It all depends on where your milk is marketed," Goodale says.

plains. "The price varies from day to day depending on whether the product is used as fluid milk or for butter, cheese or some other dairy product."

For farmers, the production quotas are the key to success or failure. When they bought their farm—France Brunet's father-in-law, in 1945, the couple had 25 cows and a 100,000-litre annual quota. Since then, they have spent a total of \$200,000 to push their quota level to 350,000 litres—additional quota is purchased from other farmers in competitive-bid auctions organized by the board. Now, they are negotiating the purchase of an additional 5,000 kg of milk from the marketing board. The price is likely to be around \$30 a kilogram, well above the estimated average price of \$20 per kg they place on their own quota, and almost double the price 10 years ago. "It's one sure sign that the value is going up despite all of the sorrow over the new GATT deal," says Goodale.

The deal reached last year by the 155 member-counsellors of the General Agreement on Tariffs and Trade is a major threat to Quebec's dairy farmers. No one knows what the impact will be on the existing supply-management system since the new GATT arrangement, under which export quotas will be replaced by tariff cuts, goes into effect in 1995. Goodale and Brunet, however, are confident that they will prosper as long as some form of marketing system remains in effect for milk products. "It was not optimistic about the future, I wouldn't be thinking of spending \$100,000 to buy more quota," Goodale points out as he washes the newborn calf.

"We're good farmers," says Brunet. "If they change the rules on us, there's not much we can do about it. But we know how to produce milk and, no matter what happens, I think we'll continue to be going to be suddenly stop drinking the stuff." On that count, at least, the Quebec dairy farmer is not likely to get an argument.

BARRY CANN in St. Asbert, Que.

A harvest of farm programs

Ottawa and the provinces are what federal agriculture minister Ralph Goodale calls a case of "team-taco cooking," intensive investigations, sometimes conducted under different departmental names. Some of the main ones:

The Crow benefit. The mother of all agricultural programs—and the single most expensive—at an estimated cost of \$725 million for 1993-1994. This version gives transportation subsidies, which date back to the last century, about 60 per cent of the cost of shipping grain by rail from the Prairies to British Columbia and Ontario. Although the Crow program is under review, many wheat farmers view it as sacrosanct. It could, however, run afoul of the recent GATT agreement.

GFSP (Grain Reserve Insurance Plan). Established in 1980, it protects grain and commodity crops and will pay out about \$500

ing the discrimination between commodities. Still, he does not advocate extensive sheltering of farmers. "They have to adjust. If there's no money growing wheat, then they have to eventually grow something else and your programs can't match those market signals," Cassingham offers.

However, there are some causes—such as the Reform party, with 52 seats inside in Western Canada—that strongly advocate sharp cuts to agricultural supports as the first step to introducing a free market system. On the other hand, the Bloc Québécois, which has 54 Commons seats in Quebec, has been vocal in its support of supply-managed farm operations. Par for the part, trade expert John H. Hines at Carleton University's Centre for Trade Policy and Law in Ottawa, declares that the problem facing farmers is not too little farm support but too much. That, in turn, creates a grid of products. "Everybody's with all this," he said. "I grew up on a farm. But the last is

Reconciling a patchwork of federal programs

their policies don't work in today's world." Whether the domestic livestock farm raises, the federal government must now ensure that any new programs will also withstand challenges under the rules set in GATT last month at GATT. Although few details have yet been worked out, the GATT deal—which comes into effect in July, 1995—discourages such trade tariff agriculture policies as the subsidization of specific commodities.

But while Goodale has been trying to ease the impact of the GATT deal on farmers, he also has been forced to contend with environmentalists over agricultural trade with the United States. Although the Canada-U.S. Free Trade Agreement and NAFTA act out a schedule for the elimination of many agricultural tariffs between the two nations over 10 years, border trade disputes have continued. U.S. Agriculture Secretary Michael Egan and Goodale met in Toronto on Jan. 8, but they apparently gained little ground. Last week, farmers in Shelby, Miss., were mobbing grain elevators that are receiving Canadian grain, threatening the pressure to resolve differences over the trade in a range of Canadian exports including oil, corn, soybeans, wheat, and poultry better sales. While Goodale says that he is confident the two countries can resolve their problems, Wilkerson, president of the Canadian Federation of Agriculture, says that it is about time Goodale "admitted" Canada can't always be the "big boy" around. "The United States is going to have to decide whether it signed a free trade deal or didn't."

In the mid-1990s of Canadian agricultural policies, there is little doubt where Goodale's sympathies lie. But at heart, the federal government's policy is to help as many Canadians as it can. "I don't like to see any Canadian farmer or producer who is willing to do it—no way to support Canadian farmers." Nations that are sensitive to food security or food shortages and to be a little more willing to subsidize their agriculture is a high priority, says Ken Egan, then an agricultural economist at the University of Saskatchewan who notes that his German relatives still remember the desperate and hungry days after the Second World War. "The result might be more tolerance to higher food prices." But in these days of drought, budget cuts and tight family food budgets, such tolerance may be the least common commodity of all.

WARREN CARAGATA in Ontario



"Mitch Treacy" the goal is not to produce more, but to do it efficiently

Farming from generation to generation

It is ironic, again, as Mitch Treacy and his 26-year-old brother, Calvin, spread a tractor load of chopped-up hay and shingles, a fermented mixture of green and peas, over a patch of frozen field. As a herd of 125 cattle shuffles especially towards the dairy feed, Mitch and Calvin's father, Bill, a fourth-generation Alberta farmer who works in the rolling Wapiti hills, 125 km east of Calgary, checks to see whether the better winter feed has left any of the herd. A lone cowler scurries over a hill, pines at the well-fed cattle and, chased by a farm dog, disappears into the snow- and shrub-covered landscape. "Calvin and I both tend to lean away from this," says Mitch, 23, who graduated from the University of Calgary last year with a degree in political science. "But we looked at our parents' lifestyle and saw a future in farming," he says.

Their future, according to the Treacy brothers, depends on a mix of educated farmers, high-technology, new marketing techniques—and the government getting out of the agriculture business. "It's time we made some tough choices as farmers," says Mitch. "We have to adjust like any other business to survive." They have a diversified operation, growing wheat, corn, barley and marketed used to make silage, as well as raising cattle. Beyond that, however, the Treacy brothers want they prosper, embracing the latest advances that high-technology has to offer.

One of their most ambitious projects, the brothers have dedicated 200 acres of their 4,500-acre spread to an experiment that they

hope will eventually improve their crop yields. They are using tractors equipped with computers that are linked to satellites orbiting the earth as part of a joint project with the Alberta government and three other farmers on precision farming using the Global Positioning System. Using recorded data from the computers enables the Treacy to determine the most efficient use for fertilizer, while at the same time lowering environmental risk by finding the optimum level of fertilization and pesticide use for a tract of land. "We're trying to cut down on overuse of fertilizers and pesticides," says Calvin, who studied agriculture at Montana State University. "The goal is not simply to produce more, but to do it more efficiently. It could be important in the future."

In all, the Treacy brothers own \$1 million invested in equipment. That includes a maximum \$200,000 Versatile tractor, seeding machine, combines and combines to move grain from the farm's 20 greenhouses to company elevators clustered along the rail line at Huxar, 30 km away. Last year, the Indian Springs farm earned about \$700,000 in gross revenues. According to Bill Treacy, 51, the farm's trump card is that it is debt-free in an era when many western farmers continue to be mired in long-term debt.

Treacy's university-educated sons are back and are part of a growing movement—farmers who want the government out of their lives, even the government subsidies they believe the North American Free Trade Agreement (NAFTA) with Mexico and the United States and new world trading rules

under the General Agreement on Tariffs and Trade (GATT) will boost demand for their cattle and crops, and they believe that they can compete successfully in the global marketplace. "Efficient Canadian farms have a future with GATT and NAFTA," says Mitch Treacy. "New chemicals, machinery, and genetic engineering of crop varieties allows us to do more work in less time. But we must sell it ourselves. We can't just dump it at the international market."

Mitch Treacy is backing his words with action. He has joined an as-yet unnamed fledgling farm group that is raising funds for a proposed joint challenge to have the Canadian Wheat Board's monopoly over wheat declared unconstitutional. "We want farmers to have the option of selling their grain privately. Bill Treacy agrees with his sons' sentiments about the government-operated agency, which requires farmers to deliver all their wheat and barley crops to the board for sale. "The Wheat Board is a market monopoly of my generation," he says. "We grow the wheat, the government sold it."

The two brothers clearly represent a new generation of farmers. Each week-day morning, Calvin reads a food copy of *National Live Stock Herald*, a daily grain market report. He then telephones a Calgary brokerage house to check some commodity prices on the Winnipeg Commodity Exchange. But one current issue that has nothing to do with farm economics still nags at the Treacy brothers. "It's an issue around here," says Mitch. "They go to the only"

JOHN HOWSE in Wapiti Hills, Alta.

The chickens are home to roost

John Kikner can remember when raising chickens in Ontario was a risky and frequently unprofitable business. In the early 1980s, when Kikner was a teenager, his father, Edna, kept 2,000 chickens on 50 acres of land near Denison in the Niagara Peninsula. Since one year's profits were frequently about the cost of the year's losses, his father always worked in construction work on the side to ensure that the bills were paid. Three decades later, Kikner, now 45, and his four brothers all own chicken farms in the same area. Thanks to Canada's supply management system, which restricts imports and ensures stable prices, they have reaped growth and rising prosperity. "It's a much more secure business today," says Kikner. "You can pay your bills and avoid your profits."

But as he tended to his flock of 40,000 birds one afternoon last week, Kikner acknowledged that Canada's 2,600 chicken farmers have entered a new era of change and uncertainty. Over the next few years, they will be forced to cut costs and become

low Ontario to allow a profit on chicken exports of as much as 280 per cent, falling to about 240 per cent by the year 2000. But Kikner and many other Canadian producers fear that the United States will push for faster and deeper import reductions. In addition to supply management and import quotas, the rising demand for chicken has helped Canadian producers like Kikner immensely over the past two decades. The average Canadian now eats 25 kg of chicken a year, up from 14 kg in 1974. In part, that is because fast-food restaurants have become major consumers of chicken. Others such as Swiss Chalet have 50 to 80 menus around chicken, while others, including McDonald's, have added chicken to their menus.

To keep up with long-term growth in demand, provincial marketing boards have been granting licenses to new farmers—580 in Ontario alone over the past five years—and they have increased the quotas for eating flocks. Kikner said that in 1970 he had a quota of about 30,000 birds. Because it took about 12 weeks to raise a flock, in a year he could produce about 120,000 birds. By last year, his quota had grown to about 40,000 birds and the production cycle had been cut to nine weeks—for a total of 270,000 chickens. This month, many Ontario farmers are switching to an eight-week cycle. These reductions have been achieved through the development of higher quality feed and breeding programs that have produced faster-growing birds.

But for all the science and technology that goes into producing chickens, at least one old-fashioned concept, the family farm, survives. According to Kikner, supply management has kept family farms in business by guaranteeing stable markets and guaranteed prices. He and his wife, Susan, 28, enjoy a secure and comfortable lifestyle, earning an in-ground swimming pool and occasional trips to Florida with their three children, aged 6 to 12. "I've always been a country person," he said. "To be on your own, you got lots of room." But, if you have to maintain your livelihoods and their lifestyle, Canadian chicken producers must become more efficient to withstand the challenge of increased competition from south of the border.

For Kikner, it's a much more secure business today, you can pay your bills and predict your profits.

was sufficient to meet the competition from massive U.S. poultry operations. Under the terms of the recently completed General Agreement on Tariffs and Trade, the import quota that restricted U.S. producers to about 7.5 per cent of the Canadian market will disappear as of July, 1995. To protect the Canadian industry, the GATT rules will al-

D'ARCY JENSEN in Simsbury, Ont.

PEOPLE

The challenger's day

It had to happen sometime. At the Canadian Figure Skating Championships in Edmonton last week, **Scott Browning** snatched his 1 in the world, was crowned the local favorite. But it was his longtime challenger, second-ranked **Elvis Stojko**, who was the war. The men's single competition, pitting fourteen world champs on Browning, 35, from Carolina, Ala., against Stojko, the 21-year-old Inupiat youth from Richmond Hill, Ont., was the championships' most anticipated matchup—and a preview of their upcoming battle at the Winter Olympics in February. But to the disappointment of both Browning and his fans, the head-to-head clash lost most of its steam in the first night's short program. Browning, admittedly nervous in front of his home crowd, skated an unusually shaky routine. He fell twice and scored low on technical merit—37 to 52 out of 6 "11s" marks, and Browning afterwards. Meanwhile, Stojko, brimming with confidence and clad in studded black leathers, landed in an exuberant short routine that effectively put him out of Browning's reach—no matter how well the champion skated his free program on Saturday. Now, the fastest the recap Stojko—in the eyes of skating judges—into a potential runner-up to a co-routine for gold in the Olympics. "You're a Lufthansa in No. 1 is a bonus," Stojko said, "because everyone looks at who the national champion is." To a sport notorious for its wackadoodle judging, the new Canadian champ just may have the cutting edge.



Stojko: 'No. 1 is a bonus'

Browning: 'It sucks'

Off the street

For the million or so Canadians who tune into CBC's *The Street Legal* for a weekly fix of sex and scandal, 1994 will be a real year. After eight seasons, the CBC announced last week that the show's final episodes will run next month, even though the award-winning series—starring **Caroline Dhavernas**, **Brian Brown**, **David Johnson** and **Judith Kahan**—remains one of the beleaguered network's most popular shows. **Phyllis Kline**, executive director of arts and entertainment programming, said the network wanted to end *Street Legal* on a positive note, while ratings remained high. Dale, who has played the season, posting lawyer **Clara Novak** since 1986, got a break her on the cancellation. "I had the best job in Canada for six years," she said. Some critics have called her character "bitch," but Dale says that Novak "has balls—and I wish people would respond to her on that level." Balls or not, many local viewers will miss the on-screen sinner that she and her fellow lawyers generated. Case closed.



Dale: 'The best job in Canada for six years'

A victory for the colonies

On one side, the Devil of his own. **John Part**, a 27-year-old American transfer from Ontario, Ont. On the other, a God-like of mine. **Bobby George**, a seasoned British underdog in the folds of the world championships since 1982. The weapons: darts. At the Jan. 8 coronation of the Embassy World Professional Darts Championship in Surrey, England, Part had to contend with a British underdog sympathetic to George, known as the *Prince of Darts* for his trademark gold jewelry. The 65-year-old Lancashire was suffering from a bad back—and the crowd clearly knew it, loudly cheering on the native son. How did the young Canadian fare? "Angry," Part said later, "and I play better when I'm angry." Part, ranked No. 1 in Canada even though he has been playing darts competitively only since 1989, handily defeated George, winning six games in a row to capture the best-of-11 match. That made him the first non-Briton ever to win the \$63,806 world title. Said Part: "If I had looked at the money and what it meant, I wouldn't have been able to do it."

MEDIA WATCH



Cross-border journalism

BY GEORGE HAIN

A n English journalist of long experience at the *Daily Express* in its great years once told me that in the 1930s, when London's newspapers were finding their way in the story of King Edward VIII and Mrs. Simpson, their personal stories in the Paris press. They were then able to report them, digested as righteous condemnations of those unprincipled Frenchmen who were publishing local scandal about the royal. Naturally, a good deal of the local scandal had to be interpreted as background to the condemnations.

I can't cover the story as true. Journalists redefining their equities in their careers have been willing to let a supping concern for fact make them. But the lesson link between that history and the present is the unusual interest now being shown by some American media in Canadian restrictions on reporting, and the even more unusual interest displayed by some Canadian media in reporting and expanding the American viewpoint. The interesting issue is the difference between the American public's attitude towards testimony in the courts, and what is represented to be the increasing tendency of judges in Canadian courts to restrict—or "ban," the terms favored by the media—the publication in certain circumstances.

The arguments pro and con have been, on the media side, the right of the public to know, the need for justice not only to be done but to be seen to be done, and, of course, the desire to publish freedom of the press, and, on the side of the judges concerned, the belief that, in certain circumstances, temporarily restricting reporting of court proceedings is essential to ensuring that someone else gets a fair trial. That, to their minds, would be a trade for a jury uninfluenced by what they read or see in the newspapers or heard on television or the radio.

The case central to all this is that of **Karla Homolka** and her husband, **Paul Teale** (also

has filed for divorce). She has been tried and found guilty of manslaughter in the deaths of two teenage girls. He awaits trial on two charges of first-degree murder, as well as 50 page-related charges. It was concern that published testimony from the wife's trial would make it difficult to assemble parties free of prejudice towards the husband that caused Judge Frances Kovacs of the Ontario Court to forbid publication of the Homolka claims to restrict—or "ban," the terms favored by the media—the publication in certain circumstances.

Nonetheless, he has, much of the information discussed in court in the Homolka case has been made public in the United States, in newspapers, television and radio in Buffalo, N.Y., usually around the corner from St. Catharines, Ont., where the trial took place, and in other media, including *The Washington Post*. There is nothing to be done about that, and it is not so surprising as the fact that in Canada, various media outlets have used the fact of publication in the United States to imply—

that Canadians are being done out of something that is free due because of a less enlightened judicial system on this side of the border.

Another case in which temporarily with-

held publication had the same effect as carried in *British Columbia* where a similar precedent, motion to keep an all-fled laterly expanded) conviction in a U.S. court from being published again, sought and obtained an injunction against the CBC's *50th* minute. The mystery of what the injunction was all about—was it dissolved in a few days—was a bit of published commentary on the case that looked heavily on the fact that *The Denver Post* was carrying material about a Canadian case which Canadians, per se, then, weren't allowed to read or see.

These and a number of other cases have raised one of the Canadian courts have gone on a binge of keeping information from "the people"—a media euphemism for "the media"—not reasons that are insinuated. It is probably true, but not proved, that there have been some such "bans" recently thus in this part. However, what is sure is that, ever since the Charter of Rights and Freedoms came into effect with the passage of the new Constitution Act, 1982, the big players in the Canadian media have been rolling in their lawyers at every suggestion that their interpretation of their freedoms might be challenged with.

Constitutional freedom of the press came packaged in Section 2 (3) of the charter under the heading of fundamental freedoms, which guaranteed "freedom of thought, belief, opinion and expression, including freedom of the press, and other media of communication." It then became a prime purpose of the media to see that freedom of the press was defined as one law in the courts as an broadly exercising a way to their information gathering purposes as they could manage. For enough. However, that did not require anyone else to have down to see and gratify at the will of the press. Robert Shapiro, a columnist with *The Globe and Mail*, made some essential points explicitly—

which means that they accorded with my own views—when he wrote, "This hard not to read into this trend something of a consensus on the part of the media to keep the public from the truth, but why? Of course, right across the country have their dinner up."

It is hard also not to see the publication ban in *Homolka/Teale* as part of an Canadian heritage and as one of the huge cultural differences between the American states, where sensational crimes are almost routine and are treated that way on nightly television—

Thanks, but no thanks. This is not a freedom of speech, or freedom of the press issue. If there is an argument, it is whether the ban is justified to ensure a fair trial, a decision I would rather leave to a judge than to a city editor.

I can't help wondering: Canadian reporters covered the Homolka trial and took notes, but only for later publication. American reporters weren't there and had no notes. How did it happen that people who weren't there had to go to the trouble of taking notes in the first place? What's that? That's the thing that ended the Fleet Street story of the King and the woman he loved.

Hate and history

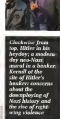
Germans ponder their Nazi sites

“We’re off to talk to Hitler’s ghost,” says Alfred Kernell, bounding across the muddy wasteland of central Berlin where Europe’s dividing wall once stood. Kernell, a grumpy 64-year-old, is Berlin’s chief archaeologist, and the map in his hands shows the location of the bunker where Adolf Hitler conducted Germany’s last days of the Second World War in 1945 and where he shot himself to death just ahead of advancing Russian troops. In the distance are the imposing Berlin landmarks of the Reichstag and the Brandenburg Gate. But Kernell heads into the courtyard of the only older major building in the area, a phalanx of garish condominiums representing the best that East German architecture had to offer.

He paces all the steps. “This is the Fuehrerbunker,” he says, pointing to a small driveway and the park beyond. “And this is where the entrance was, where they burned Hitler’s body.” There is nothing to mark the spot. The place where the Third Reich and its leaders were exterminated is an anonymous patch of grass. A children’s playground and sunbathers are just meters away. “Typical German,” says Kernell, shaking his head. “Always looking to destroy any history which is not agreeable, especially here in Berlin.”

In Germany, the subject of what history to preserve is always laden with political overtones. The Berlin city parliament will debate next month whether to designate another nearby bunker—one that housed Hitler’s drivers—as a protected historic site that establishes modern and cultural leaders have long argued against the idea, and the consensus is expected to fail. That, say many Germans, occurred about the rise of neo-Nazi violence, in typical of an all-too-ready willingness to downplay the Nazi era. And last week, there was just another reminder of the fearful present, in the eastern city of East, three young Nazis murdered a pregnant, 23-year-old Nigerian woman. But the warnings against conspiracy are gruffing up against an economic upheaval that has left many Germans near ready for amnesia than for the forgotten.

The world has always watched with nervous interest how the Germans deal with their Nazi past. But the question has become even more complicated now that the debate has been joined by East Germans. Under Communist rule, easters never had to confront their role in the Holocaust. State ideology led East, as Communists, East Germans were by definition “antifascists.” They, too, were victims of the Nazis. Now, East Germans have been hit with a new reading of history that adds them a share of responsibility for the Third Reich just as they are also struggling to contend with the evils of the 40-year long Communist dictatorship. “They haven’t even dealt with the Nazi mass guilt yet,” says Susanne Thaler, who survived a concentration camp as a young girl and is a senior activist in the Free Democratic, part of Germany’s governing coalition. “We are having the same excuses used to distance Germans from the Nazis. We didn’t see that. We just lived our lives. What could we have done? People have to



Clockwise from top: Hitler in his heyday; a modern-day neo-Nazi march in a bunker; Kernell at the site of Hitler's bunker; concerns about the downgrading of Nazi history and the rise of right-wing violence

come to grips with the fact that they were willingly blind, and that reality blows you with a population that is psychologically damaged.”

The struggle to build two countries, two economies and two histories has one shared identity is played out most intensely in Berlin. The city will remain its status as the German capital by the end of the decade. And just as Hitler planned to remake the city into “Germania”—the beacon of the Third Reich—the reborn Berlin will preserve the face of whatever kind of Germany emerges from reunification. Plans focus on the historic heart of the city: the empty streets that separated East from West Berlin. They call for Germany’s 16 Landers, or states, to build their diplomatic missions on the site. But many politicians are dismayed about backing in an area that was also known as the “death strip,” and better that was home to Hitler’s chancellery.

Preservationists, meanwhile, want to save the remaining Hitler sites. Several feet beneath the soil, only the floor of the Fuehrerbunker is still there—part of a complex of concrete bunkers that Hitler ordered built near his chancellery. It was gassed and then blown up by the occupying Russians. But what archaeologist Kernell wants to preserve most is the 100,000-log bunker that Hitler’s drivers used and that the Russians overlooked. Lying in the middle of the East-West death strip, it was not discovered until 1990—by border

guards sweeping the area for discarded ammunition. Its still-ruined walls are covered with paintings by an unknown member of Hitler’s personal guard (one named depicts a German German military victory in Greece). Another shows Germanic Nazis protecting German Jews and doctors, with a background reading the Nazi Welt of moral beauty and individual spirit. “It shows the thinking of the Nazis,” says Kernell. “You couldn’t arrest a better monster, and destroying it would be a crime.”

Not everyone agrees. The struggle to grant a shrouded socialist system onto Europe’s largest free market economy has been far more traumatic than originally imagined, and the public mood is sour. More in an economic slump, there is a rising right-wing strain that says “Enough talk about Nazis.” The public appears far more open to the leaders’ range from fears that they could become victims for reasons, to demand of their historic view. “When you keep everything related to the Nazis, people become overfed, desensitized,” says Rüdiger Knappe, scientific director of the Topography of Terror exhibit, which is Berlin’s major center for documenting the Nazi crimes. Rupp is among the leaders of the campaign against preserving the bunker. “You had 20, 30 or 100 places, people would see. That’s too much.”

The bunkers are not the only point of contention among activists

activists. Their anger crystallized last November when the German government dedicated a new war memorial, also in the center of Berlin, to all German-led in the war. “To mark the victims of the war with the people who waged it is wrong,” says Jerry Koral, head of the association representing Berlin’s 10,000 Jews. “Future generations won’t make the distinction.”

The opening of Eastern Europe has shown that those distinctions are already blurred. East European governments had not erect monuments to Jewish victims. And concentration camps such as Sachsenhausen, in the town of Oranienburg, 30 km north of Berlin, are prime examples of the mingled and emotional debates about over what to do with Nazi sites. Sachsenhausen was an enormous detention and labor camp from 1936 until 1945. There, for five years after the war, occupying Soviet troops used it as a prison camp for former Nazis and other Germans opposed to Communist rule. Thousands of them were executed or died from the camp’s poor conditions. Those crimes were suppressed by the Soviet-led East German allies, who kept

a mere five per cent of the enormous camp sites for East Bloc visitors as a symbol of Soviet terror.

When the wall and the Communists fell in 1989, survivors and descendants of the dead looked successfully for a memorial to the six victims of Stalinism to be erected at Sachsenhausen. That move, in turn, startled Jews, who have no memorial of their own in the camp and who were strapped that Jews would also have to be commemorated. “It was criminals who were killed there,” says Koral. “There may have been innocents among them, but a lot of the people were guilty.” The Jewish community was also angered by a 1992 refurbishing at Sachsenhausen, which disrupted part of the so-called Jewish burials. Two neo-Nazi were acquitted of the attack last October. The question of whether to rebuild the barracks divided even Jews, some of whom argued that evidence at Sachsenhausen should remain to show that anti-Semitic violence survives in modern Germany. In the end, though, the community decided to rebuild the barracks.

Sachsenhausen is proud that refurbishing history as the new Germany will be a painful, ongoing process. Sachsenhausen, says Gideon Marsch, director of the site, “is a place for Germans to discuss their new identity.” Increased only in its value as a symbol of lowest crimes, the East German government carried out no professional research into what happened at Sachsenhausen. There is no all told record of how many people died in the camp, although the figure of 200,000 has always been used. Marsch is eagerly awaiting the arrival of 100,000 pages of the camp’s administrative papers, which have been stored in Moscow, to undertake a massive research project.

Those documents serve certain to disturb many ghosts. But Marsch insists that “the most important thing is to establish that the whole society is guilty for what happened.” So far, Oranienburg has avoided the activity of German Jews such as Dachau, which shares the fate of the concentration camp built there. But next year, the Sachsenhausen museum plans to exhibit an Auschwitz-style show about a concentration camp the Nazis operated that 1933 and 1934, operated right in the center of town. “We will show how Germans accepted that,” Marsch says. “How local merchants did business with the camp? And how well Oranienburg residents respond?” That, says Marsch with a laugh that acknowledges the volatility when Germans debate their history, “is something that can’t be predicted. We will see, we will see.”

BRUCE WALLACE in Berlin

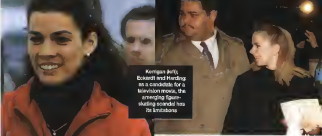
Indicate details of sex lives, painful personal histories, greed, a severed penis and intrigue atop the ice. Last week's headlines could have been written in tabloid heaven—which, in a season of spending, pretty well describes a slice of America in the 1990s. To be sure, other countries have their lurid scandals. But for sheer volume and variety, the American experience—surrounded by a huge machine that turns the up-to-date luridness with sex and violence in the modern miracle of high-tech communications—is unrivaled. Where else would the case of Lorena Bobbitt—a 27-year-old wife for slugging off her husband's sex organs—receive gavel-to-gavel coverage on a major U.S. network? And where else would the network cut to a live news conference in a supermarket near Boston, where her slayer Nancy Kerrigan describes her Olympic losses and her recovery from a vicious attack by someone who may have been lured to her chief rival on TV, Tonya Harding.

From the talk shows to tabloid TV, from supermarket cuts to the *and New York Times*, the situation last week was unusual, network television had already claimed two of the stories for TV movies, and only on the others looked as if possibly. But as the incident unfolded as they may have seemed, the stories were made in seconds, even tragic events. Members of the Branch Danden club (who had their TV spots even before they had their day in court) went on trial for their involvement in the killings of four athletes. Tokosco and Piersma agents in Waco, Tex., in February, 1993—an event that concluded with the fiery deaths of an estimated 72 people, including 17

sex. Afterward, she drove away from the couple's apartment holding the severed organ in her hand. John Bobbitt denied ever assaulting his wife. "It's no accident that this plays well on daytime television," said Dornan. "It's just like a soap opera in many respects. Everything happens at a glacial pace. It's like intense scrutiny on a minute detail of the couple's household life."

However, the last that separates a legitimate story from the one that sets off media mania is often blurred. In Canada, there was comparatively light media attention to a 1992 trial in Brampton, in which a 35-year-old woman who had cut off her husband's penis was acquitted on the grounds that she was a battered woman. In Canada, of course, laws about genital publicity are much stricter. And perhaps Lorena Bobbitt had her case at a historical juncture where the American public—already primed by U.S. Supreme Court associate Clarence Thomas's sexual harassment hearings and by the Mike Tyson and Willy Kennedy Smith rape trials—was sure to be fascinated by an epic battle of the sexes.

An infamous drama, the Bobbitts' chief competitor last week was the emerging skating scandal. On Jan. 6, a man had 25-year-old Kerrigan on the ice with a racial slur. In the American figure skating championships in Detroit, kneeling her out of competition. Harding, her 25-year-old rival, went on to win, although Kerrigan was awarded the second spot as the U.S. Olympic team. Initial reports suggested that the attacker was a crazed stalker. But last week, police arrest of two people. Harding's hulking bodyguard, Shawn Eckhardt, 36, and two alleged co-conspirators. Eckhardt's lawyer—while criticizing a



Kerrigan, Jeff Eckhardt and Harding as a candidate for a television movie, the emerging figure skating scandal has its limitations

Searcher for a movie, he talked to police officers involved in the case—but found the investigation was too complex, and included too many officers, to enter a single police protagonist. He dropped the project.

Once a reliable story is identified as good TV movie fodder, a whole industry swings into action. For *The Huntley-Tierney Adventures of the All-Star Team: Cheever's Missing Man*, a 1991 movie based on a police officer who plotted the murder of his daughter's cheerleader, producer Jim Mancos signed agreements with the mother's ex-husband, daughter and son. "It was a mess," and Mancos was a co-owner of a production company in Beverly Hills. "There were about 40 different producers and network executives trying to get the rights of the participants."

Los Angeles producer Allan Marcil described a similar scene around Jessica McClure, the girl who fell into a well in 1987 in Texas, and was rescued 58 hours later. Securing those rights "should have been a breeze in the '80s," said Marcil. "There were 30 producers hanging over a backyard fence waving contracts." Marcil said that producers usually pay about \$500,000 for a participant's movie rights. People sometimes balk, but generally come around. "Showbiz has a magnetic appeal," said Marcil. "When you tell them you want to dramatize their lives, they go interested."

Of the last sensational stories making headlines last week, two have already won big. CBS is planning a movie about Frank and Lyle Menendez—who testified that they killed their parents after years of physical and sexual abuse. *Menendez: N.Y.C. in the Glass of Day* (ABC) in Waco, set a record for assembly haste even by Hollywood standards. Elements of the cultists who survived the steps of their compound, including Catherine Ruth Ellen Middle, went on red carpet last week. But the movie about Waco fired last May. In fact, production was underway long before Menendez testified the compound last April. It's following a well-worn formula: After a major scandal, a movie is made. The movie is made quickly and poorly executed, he concludes that "it's a typical Hollywood story." It had gone, a capturing religious fanatic and a fraud that, though greatly tragic, "is a terrible ending as a story." But cult leader David Koresh, and Levina, "wouldn't have gotten the press as involved if there weren't also stories about her having sex with girls under 16."

Some industry observers say that, under increasing pressure from advocacy groups and advertisers to curb violence on television, networks may be less eager to transform some real-life stories into TV sagas. "We wouldn't advertise on a film about the Bobbitts or the Menendezs," said Paul Schulman, a Madison Avenue advertising agency. "But I could see sponsors getting involved on the skating story, if the allegations are correct." One way or the other, the American machine seems destined to find a financially sustainable niche.

DAVID NEPHEITH with WILLIAM LUTHERAN in Missouri, Tim ANNE GREEN with JILLIAN LUTHERAN in Missouri, Tim ANNE GREEN with JILLIAN LUTHERAN in Missouri

Hot off the presses

children. A judge in Los Angeles declared a mistrial in the case of 25-year-old Erik Menendez, one of two brothers accused in the brutal killings of their wealthy parents. Police arrested figure skater Harding's bodyguard and two other men in the assault on Kerrigan and Lorena Bobbitt. 24, testified that she had suffered physical and sexual abuse at the hands of her estranged husband.

Some observers argue that the media focus on such trials—making this very story as much reflecting social values. "The Bobbitt case has sparked a great deal of discussion," said Rita Smith, program co-ordinator for the Denver-based National Coalition Against Domestic Violence. "It provides an opportunity to the television—and television is the first step towards prevention." But such talk shows focus may be lost on news outlets caught up in the increasingly competitive chase for stories that sell. "Five years ago," said Brian Wells, a former executive editor of the *National Enquirer*, "the mainstream press and television would hardly have touched these stories. Now, there are 40 these tabloid TV shows reporting everything—and the mainstream press follows TV. By the time the tabs come out, the stories have been done to death."

Take the Bobbitt case. Charged with malicious wounding, Lorena Bobbitt faces a 25-year prison sentence if convicted. Her 35-year-old husband was acquitted of marital rape two months ago. Chris Dornan, associate professor of journalism and communication at Ottawa's Carleton University, watched nearly eight hours a day of Bobbitt testify live on CBS for three days last week. With coverage in a single hour, Dornan noted, it is a rare story for the network to cover. And it was especially popular when CBS switched to coverage of President Bill Clinton's visit to Kiev, the anchorman apologized profusely but angry viewers still besieged network phone lines.

The incident was riveting. Lorena Bobbitt, an Ecuador-born immigrant, said that she could not recall meeting her husband with a kitchen knife last June. But with sobriety, she said, she remembered the first time he raped her. "I remember every time he had the sex with me. He hurt me." On the night of the incident, she testified, her husband forced her to have

Sensational stories f America's tabloid-inspired me machine



Lorena Bobbitt: live, govt-to-govt coverage that plays well on daytime television

proficiency sexuality plus for his class—admitted that Eckhardt was involved and his romance.

Despite news reports that Harding's ex-husband, 25-year-old Jeff Gilkey, was also under investigation, there were no more arrests by week's end. Long an outsider to the elite world of figure skating, the tough working-class Harding had a rocky marriage and once spent months with another female partner. Asked before the attack for her thoughts on the Olympics, Harding replied: "What I am really thinking about are dollar signs." Last week, one former Canadian skater who declined to be identified said: "The moment that I heard what happened to Nancy, I wondered if it had something to do with Tonya. She has a bad reputation, and it is not totally undeserved."

Still, as a candidate for a TV movie, the story has its limitations, according to specialists in the field. Steve Levine, president of Product Entertainment Inc., a Toronto production company, said that it would "hard to get interesting" if Harding's ex-husband was involved. And "there's no American-style Hollywood payoff," he added. "If Kerrigan goes to the Olympics and ends up winning the gold medal, that's it. If Harding and Kerrigan come in eighth and ninth, it's not a story at all." In general, Levine said, a good TV drama must have a clear, high-stakes conflict, as well as a protagonist and an antagonist. Even stories laden with sex and violence may fail without interesting characters. Levine said that he considered doing a movie on the trial of Paul Teles and Karla Homolka in the killings of two Ontario schoolgirls.

Sensitive or obscene?

It is just past noon on a damp January day, and artist Ed Lauger is having a late breakfast—a cup of coffee and a single slice of toast—in his downtown Toronto studio. Black canvases are stapled to the walls. Paintbrushes are scattered haphazardly on a nearby table. Lauger's palette is covered in thick dabs of red, orange and yellow paint that have dried and hardened. The 28-year-old artist has not painted anything since mid-December, when Metropolitan Toronto police charged him with making child pornography and seized five of his paintings and 35 drawings that were on display at the nearby Mercer Union gallery. "It's hard not to distract you that I haven't been able to work," says Lauger, who was scheduled to make his first court appearance on Jan. 17. "The work was never created to sexually arouse the viewer. It is not pornography."

Lauger is the only artist to have been charged under the tough, new child pornography law that was pushed quickly through the House of Commons last June by the former Progressive Conservative government. Artists and arts organizations across the country have unanimously condemned the novel and detected Lauger's right to create images that explore one of Canadian society's darkest taboos—sexual relations between adults and children. And several legal experts say the charges prove that the law is a vaguely worded and poorly drafted piece of legislation, which may violate the freedom of expression provisions in the Charter of Rights and Freedoms.

But anti-pornography activists across Canada support the legislation and most are sympathetic to Lauger. Deborah Smith, a 54-year-old Toronto grandmother and president of Canadian for Democracy, a national seniors organization, said that Canadians need a strong law to protect their children from pedophiles. She added that artists should be punished by the law just like every other citizen. "This is not sick talk," she said. "I don't even like to talk about it. Can we let our children be destroyed for the sake of some artist's fantasy?"

The Lauger paintings seized by police contain three close-up images of adults and children, viewed in profile, bare at mid, yellow and orange. One work depicts a man with an erection lying on a bed while a naked, prepubescent girl stands behind his shoulders. Another

As a Toronto artist prepares to go to court on pornography charges, a new law meets with opposition



shows a young boy in bed with a girl, but only the boy's upper half and the girl's rear are visible from beneath the covers. The artist relies to thoughtful "usage of violence." (Her photo on the opposite page is one of the works left behind after the police raid.)

The artist insists that the confiscated works spring from his imagination, not from any pedophilic experience or tendencies. He says that he has several close friends who

were abused as children, and they have shared their memories with him. Toronto lawyer Lauger, who began drawing as a child and is largely self-taught in painting, took comfort in portraying human activities that are private, hidden and poorly understood. "To deny it is to deny a large part of our humanity," he says. Lauger notes that health care professionals, lawyers, psychiatrists and even services of child sexual abuse often discuss the problem publicly, and usually in

detached clinical tones. He contends that some of his paintings are an attempt to depict the actual experience and the devastating impact on the world's victims.

In 1989, when at the artist-run Mercer Union gallery was Lauger's first public exhibition. It opened in mid-November and attracted about 300 visitors. Among the seized works were three drawings that had been purchased at \$150 each. One of the people who visited the gallery was Kathleen Broyes, a 13-year-old Toronto adolescent who frequently goes to art exhibitions. "I felt that he was a very talented artist," says Broyes. "And I didn't see his work as child pornography."

The exhibition came to the attention of the police because that several prominent members of the Toronto arts community were planning to appeal directly to provincial Premier Bob Rae and Attorney General Martin Rodd to have the charges dropped. Keith Kelly, national director of the Ottawa-based Canadian Conference of the Arts, the largest arts organization in the country, notes that his organization, the CCA, and other groups had deep reservations about the wording of the child pornography law when it was passed, and now plans to lobby the new Liberal government for amendments to protect other artists.

As he awaited his first court appearance, Lauger looked forward to the day when he could resume his quiet life as an artist. He lives alone on one floor of a former textile factory near Toronto's downtown district, the space serves as both home and studio. The loft is in poor condition with plaster falling from the ceiling and numerous cracks in the walls. Lauger has few possessions, and few interests except drawing and painting.

The artist says that his parents, an orthopedic surgeon and a nurse, and finally their son, Paul Lauger—both of whom encouraged him to be an artist—died in Dec. 22 snow conditions—have given him financial and emotional support in his career. A high school graduate, he has worked as a bicycle courier. And in October, he received a \$3,000 Ontario Arts Council grant. The middle of three children, Lauger branched out into painting four years ago. Most of his canvases are 6 feet tall and 4 to 6 feet wide. And as his first public exhibition revealed, they can be extremely controversial. But Lauger is emphatic that he does not confuse what is depicted in the confiscated works. "Sexual abuse of children is such radical behavior that who would not be shocked by it," he writes. "I am Lauger."

The police actually claim that I raise this. Talk about interpretation and problems."

The law could become a key issue at Lauger's trial, which will likely be held later this year. His attorney, lawyer David Adams, was away on holidays last week. And Mylena Green, Adams' partner in the case, says that they have not yet played the defence strategy. The law prohibits any depiction of "explicit sexual activity" involving children under the age of 16. There are, however, exemptions for material that is in the public domain, or is of artistic merit, or is of educational, scientific, or medical purpose. "While artistic merit is an obvious defence for Lauger, Green says that he and Adams may attempt to have the charges thrown out on the grounds that the law is unconstitutional under the Charter of Rights and Freedoms.

Some legal experts say that C-158 violates the charter because it fails to strike the right balance between freedom of expression and

the need to protect children from sexual abuse. Brian Baggman, a media and communications lawyer in Toronto, argues that the legislation's definition of child pornography is vague, giving the police too much latitude in deciding when to lay charges. The charges, he says, are draconian, and it's not clear where the line is. (The legislation sought to draw the line.) Baggman says, "Considering that the law provides for penalties of up to 10 years in prison, people would like to know, with some precision, what is prohibited."

Critics of the bill contend that it was poorly drafted because the Tories pushed it through Parliament without allowing adequate time for public review and analysis. C-158 was introduced for first reading in the House of Commons on May 13. The president of the Canadian Bar Association, Paul Gauthier, wrote a letter on June 1 to June 10, 1991. He wrote, "The Charter of the Canadian Charter of Rights and Freedoms, which states that the association did not have enough time to prepare a submission on the bill, but that it had several 'serious concerns' with it and recommended that the government delay its passage. However, the law was passed unanimously on June 10 and went into effect on Aug. 1.

Former *Maclean's* West-View staff writer, but says that many members were under pressure from their constituents to pass an anti-pornography law. He says that the existing legal definition of sexual activity is very difficult to use, and may just give child pornographers a chance to find loopholes in the law. He says that the committee members never intended the act to be used to interfere with artistic creation. "The police may have interpreted their legislation in one way, but that's for the courts to decide," says Horner. "We have my job, and I'm proud of the bill."

Police officers who are responsible for controlling child pornography welcomed the new legislation. Detective Staff Sgt. Robert Matthews, head of Project E, the Ontario Provincial Police anti-pornography unit, appeared before the justice committee and all visited neither simple possession of child pornography a criminal offence punishable by up to five years in prison. Under the old legislation, the police had to catch somebody making, importing or selling child pornography before they could lay charges. Matthews notes that in the case of Lauger, the artist has recourse to the "artistic merit" defence. "In my opinion," he adds, "an art gallery cannot be used as a sanctuary for pornography."

Langer is adamant that it is not a pornography. And he argues that it is not a pornography. "What is the role of an artist?" he asks. "To decorate walls? The artist has to handle the human story. Historically, that has been the role of the artist in human society." Lauger says he intends to continue during the trial, and he is not continuing being dragged into court.

Ever the civil servant

WHICH REMINDS ME... A MEMOIR
by Mitchell Sharp
(University of Toronto Press, 288 pages, \$35)

Prime Minister Lester Pearson had an unusual mix of interests: to write and to walk in the snow. The race to succeed him had begun, and several ministers were away from Ottawa campaigning. That one of the leading candidates, Finance Minister Mitchell Sharp, was at the Commons in London for his 1968 budget through the final stages. All went well until he blundered into a parliamentary ambush and the Conservatives defeated the budget by a two-vote margin. Political hell broke loose. Parliament was in an uproar; the government lostered, the dollar shook. One consequence of the crisis was that Sharp dropped his leadership bid and supported Pierre Elliott Trudeau, putting his own top.

Sharp's account of the affair in his new

memoir, however, is practically devoid of drama. The few paragraphs he devotes to the crisis in *Which Reminds Me* serve to explain the parliamentary procedures and errors that got him into trouble. His style is that of a civil servant—wrench he was for much of his career—writing a bloodless memoir for a minister. And that is the problem with the book. It consists mainly of brief, bare-bones accounts of the major events in which Sharp was involved, first as a senior businessman, then briefly in law, then, next as a cabinet minister in the Pearson and Trudeau governments and more recently as a sort of chairman for hire, leading public consultations. Only occasionally does the 82-year-old Sharp let his

**Mitchell Sharp
looks back—
dryly—on a
public life**

warm personality and dry wit break through. It is frustrating that a man who has played such a large part in Canadian affairs has so little of significance to add to the public record. Sharp writes that his purpose here is to "contribute to [his] understanding

of the process of government in Canada, not from a theoretical or academic point of view, but as it happens in the very gritty world of political reality." Unfortunately, his discussion reads that of another recent memoirist, Trudeau. Both are much too concerned with defending the decisions they made, too little

interested in how their reflections might throw light on current problems. Sharp's logic is, arguably, more credible because he is the quintessential Canadian public servant for whom civility is the primary virtue—and because he is still active as Prime Minister Jean Chrétien's lobbyist-at-large.

The author's friendship with the current Canadian leader goes back to 1965, when Chrétien was then a young lawyer in Ottawa. Sharp writes that he approves of his protégé's practical approach to problems, his political astuteness and, above all, his ability to convey to outsiders his feeling for Canada. But the memoirs were completed before Chrétien became prime minister, and the reader who wants his insights into the era will find mostly also-telluric anecdotes.

The book's most evocative moments recount Sharp's early years. Born to poor Scottish immigrants in Winnipeg in 1911, he began working full time at 16, and later went to university in the time he could spare from his job as a clerk. By 26, he had become a grain-trade economist and his reputation grew quickly. Soon he caught the eye of the Canadians in Ottawa, joining the civil service in 1942. And a respectable service man.

Those were the golden years when the Second World War dragged Canada out of the Depression and made it rich and (after the war) Ottawa had plenty of money to spend and a willing state to build. The Liberals were the national governing party, and they needed civil servants. Business cooperated. In light of his later political achievements, it is interesting that Sharp says he is 16 years in the civil service were the most stimulating and satisfying in his career. That is probably because he felt he became a minister in 1962, the last years were exciting. Initially was becoming a problem, economic growth

was slowing, power was draining from Ottawa to Quebec and the "special relationship" with the United States was weakening. While Sharp notes these and other developments, he fails to explore why the good times ended and what might have been done differently to prolong them.

Sharp is a passionate patriot. As foreign minister from 1968 to 1974, he was eager to enhance Canadian independence by reducing the country's reliance on the United States—a strategy that came to be known as the "Third Option." Now, he admits that it was probably respectable, but he still opposes the alternative of continental free trade. Sharp is also a bit of a republican. He recalls that he declined Trudeau's offer to make him governor general because he did not believe the British monarch should be head of the Canadian state. And he disapproves of the Order of Canada because it introduced official distinctions into Canadian society.

If Sharp remains influential in the new political landscape, it is because Chrétien, who wrote the book's foreword, is proud to acknowledge him as a mentor. In one passage, Sharp writes "The personal cautions, and strengths and weaknesses of the party leaders have more influence on the course of events than the principles of the parties they lead." And that is a brutally blunt reminder of the way things work in Ottawa.

ANTHONY WESTERL



Photo: John G. Thompson

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In Touch with Tomorrow
TOSHIBA





The sweet mystery of manhood

BY ALLAN FOTHERINGHAM

In a restaurant last week, four women of a certain age, emboldened by the grape over haunch, turned to the table conversing this reporter and, in unison, shouted, "Bobbit! Bobbit! Bobbit!" Their give was accompanied.

New job: A survey shows that 90 per cent of American men now sleep on their stomachs. The Toronto Star runs a full page on The Times Theatre tonight, surprise, tonight. Backyard of North York General Hospital runs the average event goes at 500 aches. Go to the (rainier, shops). David Letterman reports that while doctors estimate John Wayne Bobbit may be able to function sexually in two years it will be five years before he will enter a Japanese steak house. Old job: Eloquent in a naked state. "It's cute that can it pick up penises?"

What's going on here? Why is mutilation such a source of humor? The press and the late night comedians have never had so much fun. Moby-Dick Moore, we're now told, used to tell the story of how actor Errol Flynn, lured for being among the best-colored men of his era in Hollywood, would play *You Are My Sunshine* on the piano with his penis. Why is all this suddenly funny?

The reason, of course, is that the origin in question is inherently comic-looking, as a child could have done it better. God must have been a woman to achieve such results.

Now that the thing is out of the date, thanks to CNN and Larissa and John Bobbit, The Toronto Star happily informs that that score 600 men from Saudi Arabia, Poland, England, New Guinea, Australia, Germany, Sweden, the Philippines and the United States have consulted a Toronto plastic surgeon who has become world-famous for his penis-enlargement operations. His name? Unfortunately, it is Dr. Robert Starlin, who learned the technique from—wait for it—Dr. Long Doanchoo in China.

CNN, which now rates the world, first broadcast on the Gulf War last. Then the riveting contrast between Aida Hill and Clarence Thomas—Long Dong Silver and golden hair



on Coke (the—just sold the statue on sex boys. The coverage of the William Smith rape trial in Florida signalled the end of the Roanoke family myth. Now? Now work stops and housework is suspended while the TV screen details how Larissa Bobbit shed off her husband's women with a super knife; that, as advertised, can indeed cut through anything.

If John Bobbit, who by his testimony proves that his IQ is about as long as his equipment, had shed off the left breast of his wife he would be credited as a monster. But when the opposite happens, the comedy can result in joy. Macmillan, a little Virginia town across the Potomac from Washington, was previously famous for a womanizer. Civil War battle. Now it is the joke book, a symbol for all womenhood.

Several years ago, on glancing through *The Globe and Mail*, I noticed a headline—

"Turkey Neck and Hat Backs." Thinking it was a cooking or decorating column, I passed it by. Several days later a female-type friend phoned and suggested I take a second look.

It turned out to be a column by Jane Calwood, the famous civil liberties and civil-censorship feminist. She explained, with sound scholarship and full documentation from psychologists and other experts, why it is that men start wars and kill one another and get into brawls in bars.

It is, she explained, because their sexual apparatus hangs outside their bodies, rather than being tucked neatly away as with women. This makes them feel vulnerable, always worried about damage to the vital equipment, and so they defend their territory with their fists—or guns.

Her quote came from James Joyce's *Ulysses*—literary for the closing sentence which runs 45 pages without punctuation—in which Molly Bloom contemptuously dismisses the entire male race. "Oh, yes. One minute it's a turkey neck and the next minute it's a hot cock."

Aye, there lies the rub. The creative nature of this entire organ—as any school-boy forced to reflect in front of the class knows too well—makes it a subject of ridicule. It's hard to respect something that the owner can't control—rather like a large dog when visitors arrive. The Manhattan doctor who conducted a \$10-hour operation to reattach Bobbit's whisker moved from Ontario to the little town because he wanted a quiet practice.

Summoned from home in the middle of the night for an unknown emergency, he walked into the hospital lobby to find eight policemen "all with their legs crossed."

Now the poor doc is world-famous, besieged by Japanese TV crews and German magazines. Everybody thinks it's so interesting because it's so funny. It's funny for women, terrifying for men.

Proof, as it turns out, was wrong. Women do not suffer from penis envy. They only want to see the penis tested. Larissa Bobbit, with her knife, did what so many thousands of women have wished metaphorically for centuries. Despite the gory of his weapon and his dominance will be over. Mrs. Bobbit may go to jail but more important she will go down in history and in mythology.

One can imagine it already. Midnight vigils of women outside the Macmillan shelter, waving candles and shouting slogans in the moonlight. Joan Baez or Joan Mitchell will soon pen a lament that will hit platinum and there will be the radio-for-TV movie plus the books.

Molly Bloom would have understood it all.

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